THE Freeman

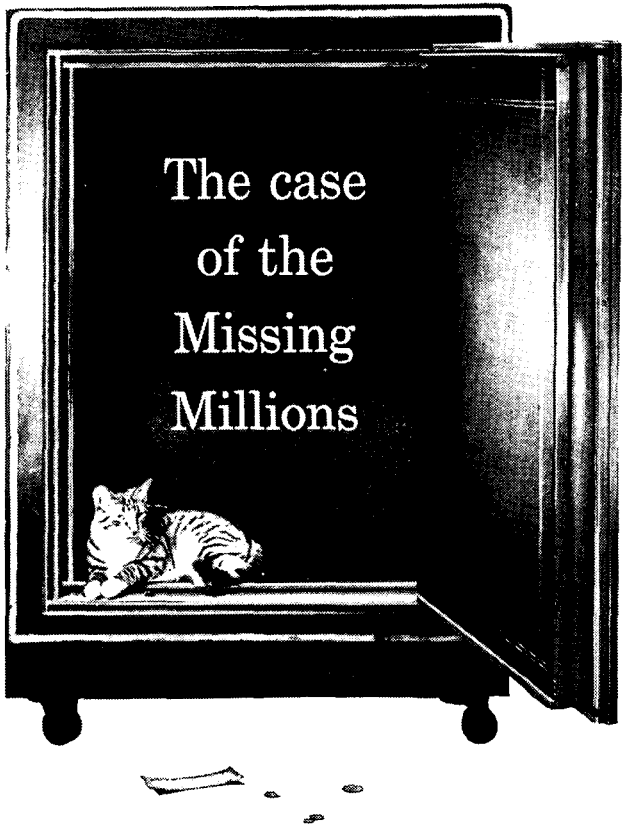
IDEAS ON LIBERTY

MAY 1957

Two Ways To Develop a Country	*Dean Russell*	1
Rent Controlled Slums	*Colm Brogan*	12
Your Tax Burden: 2. Limits of Tolerance	*F. A. Harper*	17
The High Cost of Unionism	*Ludwig W. Freier*	25
Agriculture with a Future	*Charles B. Shuman*	32
The Thing We Call Time	*Ralph Bradford*	38
The Achilles' Heel of Socialism and Communism	*G. Sumner Small*	44
Blind Spots in the New Socialism	*Reginald Jebb*	51
Impertinent To Be Observed	*John Chamberlain*	56
Book Reviews		59

THE FOUNDATION
FOR ECONOMIC EDUCATION, INC.
Irvington-on-Hudson, New York

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Millions of tax dollars are lost every year through a strange kind of tax favoritism. And you are taxed extra to help balance the loss.

As a customer of an independent electric light and power company, about 23¢ out of every dollar you pay for electricity goes for taxes. But because of present tax laws, people served by federal government power systems escape paying most of the taxes in *their* electric bills that you pay in *yours*. They pay taxes of only about 4¢ per dollar on power from the government's TVA, for example. So to make up for the tax revenues which federal power projects *don't* pay, you have to be taxed *more*.

Don't you think that *every* American should carry his fair share of taxes? *America's Independent Electric Light and Power Companies**.

**Company names on request through this magazine*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

2 WAYS to develop a country

DEAN RUSSELL

SHORTLY BEFORE the Civil War in the United States, H. R. Helper produced a book dedicated to the proposition: Slavery is economically unsound.[1]

Mr. Helper proved statistically that the free market economy of the North was superior to the Southern economy of compulsions and restrictions. Both the owners and the employees in the industrial North were rapidly becoming the world's richest people because they operated under the competitive conditions of a free market. The absence of a free market for labor and services in the South was keeping its people poor, discouraging the accumulation of capital, driving away the capital that already existed, and delaying the development of the abundant natural resources to be found there.

This Southern author was telling his slave-owning fellow countrymen that they would make *more* money – not less – by freeing their slaves and paying the high wages established by a competitive market economy. He warned his neighbors that the South would remain underdeveloped and backward as long as it continued to reject the market economy.

In effect, he explained that progress, prosperity, and profits are based on a governmental and social system that permits each person to use his individual skills and resources as seems to him most profitable and pleasing. He claimed that when peaceful persons are forced to do what they would not do voluntarily – or are prevented from doing what they

[1]Helper, Hinton Rowan. *The Impending Crisis in the South: How To Meet It.* New York: A. B. Burdick, 1860.

Mr. Russell, formerly a member of the Foundation staff, is currently studying at the Graduate Institute of International Studies in Geneva. This article is from a paper delivered in a seminar there.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

want to do – the results are always second best, if not disastrous.

Mr. Helper's research showed that there was far more production per acre of land in the market economy of the North than on comparable land in the unfree market of the South. The production per man-hour in Northern industries was far higher than in Southern industries. Because of the general absence of competition in a slave economy, even the *free workers* of the South were far less efficient than the industrial workers of the North. In fact, the North was ahead of the South in every meaningful economic area that the author of this study could measure. And in all of these areas, the North was steadily forging further ahead.

Restraint of Trade

My thesis today is the same as that advanced 100 years ago by Mr. Helper: Any restriction of the free market – legal or illegal – will ultimately result in less production of wanted goods and services than there would be in an unrestricted market economy. It makes no difference whether the restrictions concern minimum or maximum wages, minimum or maximum profits, import or export embargoes, subsidies, allocations of raw materials or markets, monopolies, controlled currencies, tariffs, domestic or foreign trade, or development of resources within or without a country. In any country in the world, the people over a reasonable period of time will have more of the goods and services they want if the government limits itself to protecting the free market where independent and peaceful persons may trade their skills and services as seems best to them.

Ways and Means

Undoubtedly, all of us want the people of underdeveloped countries to have more of the material comforts of life. All of us are persons of good will, and our goal is the same. But I suspect that the *means* advanced by us to reach this desirable goal would vary from complete government control to an absolutely free market. So let us examine a few ideas and examples behind these two general ways – government versus the free market – to develop an underdeveloped country.

The free market way means that persons voluntarily use their own money and skills to back their own economic decisions. They reap the rewards of good judgment and suffer the consequences of poor judgment. In this way, no person buys or sells or participates unless his best judgment says to do so.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Compulsory Way

The government or socialistic way to develop a country means that government officials compel you against your will and better judgment to contribute a portion of your money or time to implement *their* ideas and schemes. There is no sure way to determine if the decisions of these officials are economically sound because the only economic measurement available – the test of the market – is forbidden. It is true that as long as a free market in similar goods and services exists either within or without a socialistic country, the government officials can still make rough comparisons to determine the economic status of their projects. But since they know in advance that their projects would not meet the test of the free market (otherwise there would have been no reason to resort to compulsion), these government planners seldom make effective use of this comparative measurement.

The Middle Way

Now someone is sure to claim that there is a third way to develop an underdeveloped country or region – the "middle-of-the-road" way that avoids the free market on the one side and government ownership or control on the other. I am convinced that this alleged third way is mostly a delusion.

Mr. Nehru of India aptly described the nature of this third way in one of his speeches when he promised that his government

THE Freeman

A MONTHLY JOURNAL OF IDEAS ON LIBERTY

MAY 1957 • Vol. 7, No. 5

Additional copies, postpaid, to one address: Single copy 50c; 3 for $1.00; 25 or more, 20c each. Permission is hereby granted to anyone to reprint any article in whole or in part (providing customary credit is given). Any other article will be supplied in reprint form if there are enough inquiries to justify the cost of printing.

The Freeman is published monthly by the Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y. Anyone may receive the journal regularly upon written request; an annual subscription-donation of $5.00 or more is a suggestion—not a requirement.

Accepted as controlled circulation publication at Irvington, N. Y. with additional entry at New York, N. Y. Copyright 1957, The Foundation for Economic Education, Inc. Printed in U. S. A.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

would give "encouragement in every way" to privately owned industries in his country. He promised that the government "would not touch them for at least ten years, maybe more." He added: "We do not know when we shall nationalize them."[2]

This third way is also inherent in the promises of officials of various underdeveloped countries to permit new private companies to operate tax free for a period of years – usually ten.

This third way inspired Nikolai Lenin to establish his New Economic Policy in Russia in an effort to persuade the farmers to increase their agricultural production.

The government agency popularly known as the World Bank is following this third way when it speaks favorably of private development and offers its bonds for sale to private investors.

The hard reality behind this third way to development is written large in both history and current events. Mr. Nehru will continue to nationalize whatever he pleases and whenever he pleases. When a businessman is granted a tax concession in any country, he would be well advised to prepare himself for the confiscatory taxation or nationalization that will soon follow. Lenin's return to limited free enterprise was designed only to fool the people who enjoy being fooled. The World Bank was deliberately and purposefully designed to promote government ownership and control, not a market economy. A 1942 opinion by the Supreme Court of the United States succinctly summed up the fundamental reality behind this alleged third way when it ruled that "it is hardly lack of due process for the government to regulate that which it subsidizes."

"This Time Is Different"

I suspect that most union leaders, farmers, businessmen, and other recipients of these subsidies that accrue to them for endorsing this third way, are well aware of the reality behind the favoritism and special privileges they now enjoy. But they fondly imagine that this time it is different; that all history and logic to the contrary, this time it will work.

Well, it won't. And here's why. By definition, the third way is not the voluntary free market way; it is the way of government and compulsions. The fact that a government may permit a great deal of private ownership and initiative in these partnerships doesn't deny that the government is in charge

[2]Nehru, Jawaharlal. *Independence and After*. New York: John Day Company, 1950. p. 192.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of the situation. When you think about it, why should the government bother to compel persons to conform or to refrain or to cooperate when it can persuade them to conform or refrain or cooperate voluntarily? Joseph Stalin would never have murdered anyone if he had been sure that everyone would have done exactly as he wanted them to do. The only realistic test of whether a project or method is, or is not, government is this: Would the people do this voluntarily if the government stayed out of it completely? In every third way project I know, the answer would be a resounding "no."

True enough, the advocate of the third way may sincerely and indignantly deny that he favors government ownership – or, at any rate, claim that he is in favor of only 10 per cent control by government. But he thereby opens the way for complete government control because he no longer has any principle or logical reason to protest 11 per cent control by government, or 49 per cent, or 51 per cent, or 100 per cent. Thus the defenders of the so-called third way are in reality endorsing the government way and repudiating the market way – even though they themselves may not be aware of the ultimate implications of their acts.

I agree that if we are forbidden a free market, then a half-free market is far superior to no market economy at all. This is merely another way of saying that the degree of freeness and competition in the market is directly related to the degree of production of the goods and services that the people want.

Market vs. Compulsion

In reality then, there are two ways – and only two ways – to develop an underdeveloped country. First, there is the way of the market, with each person voluntarily backing his economic ideas with his own money and skills. Second, there is the way of government, wherein the capital is collected by the tax officials; wherein the participants are compelled to participate by the police force; wherein the market is by-passed. And under this second way – government – there is a subheading that might be titled "governmental direction of resources that remain in private hands." Now let's see how these two ways operate in practice.

I contend that there is no real *economic* difference between domestic and foreign trade – although there are certainly political differences. And so it is in developing an underdeveloped country; although there are political differences, the same *economic* factors

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

apply to internal and external development of underdeveloped areas. Thus the following examples of government development versus private development will cover both situations.

The TVA Idea

Everyone knows of the Tennessee Valley Authority and the attempt of the United States government to develop the admittedly underdeveloped resources of the State of Tennessee. People from all over the world have come to America to admire this project, to study it, and to reproduce something like it in their own countries.

Among other things, the Tennessee Valley Authority is designed to control floods, improve navigation, and produce electricity. Without going into detail, here are some conclusions based upon my own studies of the situation.[3]

1. More land has been *permanently* flooded, and thus permanently taken out of production, by the TVA project than the records show was ever temporarily flooded by nature.

2. There was more traffic on the Tennessee River in 1930 *before* TVA than there was in 1939 *after* TVA had poured several hundreds of millions of taxpayers' dollars into the improvement of navigation on the river. Subsequent increases in traffic on the Tennessee have been comparable to increases on other American waterways, improved or not. The four cents per ton-mile cost to taxpayers for traffic on the Tennessee waterway in 1939 compares with the price of one cent per ton-mile charged by privately owned railroads in the same area.

3. When all expenses are considered and properly allocated, the cost of TVA-produced electricity is almost one-third higher than the cost of electricity produced by neighboring power companies that are privately owned and operated.

Russia Builds a Dam

Now let's go to Russia and briefly examine a similar project there – the great Dneprostroi hydroelectric dam. Not surprisingly, it has many resemblances to the Tennessee Valley Authority. In 1935, an exiled Russian economist who had worked on this and similar projects in Russia wrote a book on the subject. When you hear what he had to say, you will readily understand why he was exiled. Here is a part of it:

> The rapid construction of the great power station on the Dnieper rapids

[3]Russell, Dean. *The TVA Idea*. Irvington, N. Y.: Foundation for Economic Education, 1949.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ewing Galloway

A government project that literally blew up—the Dneprogez dam.

(Dneprogez) is accounted one of the most brilliant feats of the Soviet government, and it has already won for the government the support of many foreign travelers. But from an economic point of view the rapid construction of Dneprogez cannot be justified at all, because many years must elapse before the factories which it is supposed to serve will be completed; there seems, indeed, to be no urgent need for them. Meanwhile no funds are available for house-building in Magnitogorsk, and it is very probable that the unsatisfactory results yielded by this smelting works are the direct outcome of the disgusting conditions in which the workers are compelled to live.[4]

[4]Brutzkus, Boris. *Economic Planning in Soviet Russia.* London: George Routledge & Sons, 1935. pp. 228-9.

Nasser Follows Suit

Moving down to Egypt, let's speculate for a moment about another similar government plan to develop an underdeveloped nation or region—Colonel Nasser's Aswan high dam. Is it economically feasible? Well, by the only realistic test of economic feasibility that exists – what people are willing to do with their own money – it is not. Even the greatest planners of all, the Russian experts, say that this particular project is impractical. I cannot imagine that any independent economist would pronounce it an economically sound project for Egypt. The truth of the matter seems to be this: In Egypt today, we find all the trimmings of capitalism – engineers,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

machinery, financial experts, and so on – but there is a serious curtailment of the *philosophy* of capitalism, such as government protection of private property, sanctity of contract, personal savings for domestic investment, profits, and so on.

Venezuela Tries Freedom

Compare this Egyptian dilemma with the development now under way in Venezuela. Venezuela wants the world's capitalists to invest their money and skills in exploiting the natural resources of that country. The government has guaranteed noninterference in the strictly business and economic affairs of the foreign companies established in Venezuela. In traditional free market fashion, the government sells mineral and other concessions to the highest bidder and on the best possible economic terms for Venezuela. But once the contract is signed, the government keeps its promise. The foreign capitalists are free to make as much profit as they possibly can. In fact, the more they make, the more the Venezuelans make.

As a result of this practical and effective method of exploiting natural resources, the level of living in Venezuela is rising steadily. So is the educational level. The economy is booming and, I predict, will continue to do so – unless some softheaded Venezuelan patriot persuades the people that they should nationalize the foreign companies and keep all those exorbitant profits for themselves. If that happens, Venezuela will begin to sink back into one of the world's most backward nations.

Many persons in underdeveloped lands complain that foreign capitalists are primarily concerned with profits and would take out of the country more than they bring in. Certainly they would! The investors in General Motors and the United States Steel Corporation also take from those companies in profits a great deal more than they put in them in the form of capital. I know it is dangerous to make blanket statements, but here is one that I will stand on: This chance to make high profits in a competitive economy is the only reason that the United States has become the greatest industrial producer the world has ever known, with a level of living for even the poorer citizens that is higher than that enjoyed by the richer citizens of socialist countries. My choice of the phrase above, "the only reason," is not an accident because if competition and this chance for profits were abolished, the other corollary reasons for progress would be of little or no value. And, conversely, the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

only reason that any country now remains underdeveloped is because its laws and customs are hostile to competition and the profit motive.

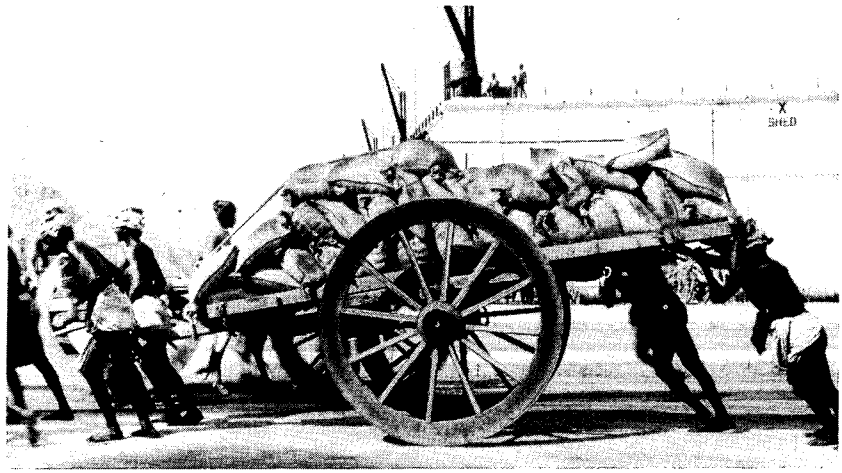
Cultural Underdevelopment

For example, take India. Both law and custom in that underdeveloped country are antagonistic to efficient economic development. The iron grip of the inflexible caste system of the Hindu civilization has stunted individual initiative, and repressed every attempt to deviate from traditional standards, for hundreds of years. As long as it continues, capitalism can't possibly make much headway there. Admittedly, Mr. Nehru is doing his best to abolish the caste system, and is apparently having considerable success. But he is doing it not for economic but for social reasons. In fact, while he is attempting to free the Indian people from this repressive caste tradition, he is at the same time using the law to bind them down with an equally repressive economic system. And the United States government, with the help of the World Bank, is doing all it possibly can do to aid Mr. Nehru in his attempt to make sure that the market economy shall never be permitted to flourish in India. It seems that Mr. Khrushchev of Russia is also anxious to help forestall this dreaded possibility of a market economy for India.

I could now move on to Great Britain and point out the inevitable results of a few of their government plans like the nationalization of the coal mines, or the East African Groundnuts scheme (sometimes known as the Great Peanut Fiasco), and other similar grandiose projects that required the use of the police force to recruit investors and capital. But instead, I'll dwell for a moment on a remarkable speech once made by the late Foreign Minister, Ernest Bevin. He pointed out that it used to be possible for an Englishman to go to Victoria Station, buy a ticket to any place in the world, and go there – without the permission of his own or any other government. Mr. Bevin complained that this was now no longer possible and that something ought to be done about it.

The whole world applauded his sentiment. But apparently neither Mr. Bevin nor his applauders stopped to think that Mr. Bevin's own philosophy of government and economics was solely responsible for the condition he claimed to deplore. It was the economic policies of Mr. Bevin and his fellow government planners all over the world that required passports and visas, trade barriers, pegged currencies, a limit on the amount

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Ewing Galloway

Can foreign government aid prepare these human truck horses of India for capitalism?

of money a citizen could take from his own country or into another country, and various other curtailments of the traditional right of a person to travel and to trade as seemed to him best.

In contrast to the above examples of government mismanagement, consider West Germany since the German people finally abolished the worst features of the planned economy that the United States government saddled them with from 1945 to 1950. The West German people are now well on their way to the highest level of living in Europe. They are doing so well that American manufacturers are beginning to demand that our government protect them against German competition not only in the world markets but even within the United States itself. That protection – if they get it – will deprive the American people of various products they want, and it will increase the cost of similar goods produced at home.

The Buying of Friendship

Now I could recite a great many other examples of the disastrous results that occur when a nation invites the investment of foreign capital and guarantees that the investments and any resulting profits will be protected. And conversely, I could go on with many other examples of the disastrous results of government planning in various underdeveloped countries. Instead, however, I want to men-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion another aspect of foreign investment that is frequently discussed. It is claimed that government loans or gifts by the United States to foreign governments will gain allies against Russia and will prevent the spread of communism.

If I were an Italian citizen, for example, I would resent this idea that I could be bribed not to become a communist. And the evidence seems to indicate that the Italians have resented it. At any rate, the membership in the Communist party in Italy seemed to increase with each additional million dollars that the United States poured into that country. Then suddenly the Communist party in Italy suffered a blow from which it probably will never recover. This disaster is due not to American money in any way but exclusively to the fact that the Russians began shooting Hungarians. Did the promise of American money have anything to do with this revolt in Hungary? No. How about Poland? Again the answer is no. Thus we now have good reasons to suspect that our best allies against Russia may well be the people to whom we haven't given a penny!

It seems to me that this idea of buying allies – either with outright gifts or with funds disguised as capital to develop the underdeveloped areas – is highly questionable. Whatever else Mr. Nehru may be, certainly he is an honorable man, and he can't be bought. The Indian people under his leadership are following many of the blueprints and objectives of the old Russian "five-year plans" because they want to. The money being supplied to India by the World Bank will, of course, help them do it. It will do exactly that, and little else.

Let Freedom Reign

If the government of any underdeveloped country truly wants its resources and people developed to the fullest possible extent in the shortest possible time, here is all it needs to do: First, abolish all trade and currency restrictions – *all of them*, internal and external. Second, enact laws guaranteeing the protection of the private property of its own citizens. Third, enact laws that guarantee the same treatment to foreigners and foreign capital as is then guaranteed to its own citizens and their capital. Fourth, convince both its own citizens and the world in general that this is a permanent policy. Fifth, be prepared for an immediate and dramatic start toward the development of both the resources of the country and the skills of the people to their maximum capacity in the shortest possible time. • • •

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Black Star

RENT-CONTROLLED SLUMS

COLM BROGAN

• The housing situation in the United States does not afford a perfect example of the blessings of freedom. Federal, state, and local governments are involved in housing projects, guaranteed mortgages, easy credit, and other subsidies and subventions. Despite these government attempts at obstruction, there is comparative freedom in the housing market in the United States. And the advantages of that freedom deserve the careful consideration of anyone who may have to choose between more or less government control of housing. Several years ago, the sad consequences of more than a generation of rigid rent control in France were dramatically presented under the title, *"No Vacancies"* by Bertrand de Jouvenel. (Single copies available upon request.) Now, a well-known British journalist documents the situation in Great Britain and explains why both Conservative and Labor party leaders have finally seen the need for the relaxation of rent control — a turn, at least, toward freedom.

RENT CONTROL has long made an absurdity of the housing situation in Britain, and in recent years the absurd has become the intolerable.

There could be no clearer example of the disastrous results of government interference with the normal operations of the free market. When rent restriction was first imposed during the 1914 War, nobody welcomed it for its own sake, but it was defended as a strictly temporary measure to meet an awkward and unexpected emergency. It is with us yet.

Of course, there has been a great deal of tinkering, with one piecemeal act following another. But forty years after the first act, there are six million houses in Britain in which the tenants enjoy complete security of tenure and also often enjoy their accommodation at a rent which is ruinous to the owner. In a recent Court case a tenant successfully sued his landlord to compel him to spend fifty pounds ($140) on extra repairs. The landlord had already spent 150 pounds ($420). The gross rent was five shillings (70

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cents) a week. Allowing for taxes, the landlord's return must be invisible. Adding the cost of repairs, the landlord would obviously be the gainer if he could give the house away.

If this might be considered an extreme example, there are one million houses in Britain rented at five shillings (70 cents) a week or less. The first result is obvious. A huge number of houses fall into a slum condition through the sheer impossibility of keeping them in repair, and they become uninhabitable. In Bidder Street, Liverpool, a row of large houses suddenly collapsed and fell into the street, just as if they had been hit by a bomb. The same thing has happened in other towns.

I once went through a block of houses occupied by workmen in Glasgow. Inside, they were derelict, but the stone fabric of those buildings was thick enough for a fortress. It is no exaggeration to say that if money had been available to repair and modernize these houses, their expectance of life might have been counted in centuries. But the demolition men were waiting to move in and pull them to the ground.

Property owners have sometimes claimed that the rate of obsolescence through inability to repair is equal to the rate of new house-building. It is impossible to give solid proof of this claim because many of the houses that might fairly be called uninhabitable are still inhabited. But there can be no doubt that the unnecessary wastage of the country's largest capital asset is grievous. It is quite certainly true that rent control has been an immense manufacturer of slums.

A Paradox

Furthermore, rent control results in gross underuse of dwelling space and also gross overcrowding, side by side. There are elderly couples living alone in large houses which they first rented when they had fair-sized families to bring up. Now their children are all away, but they still hang on to the house which they get for a nominal or trifling rent. The house is too large for them, there is too much work for the wife, and the heating of unnecessary room space is expensive. Nevertheless, they stay where they are because a smaller and more comfortable house would cost them perhaps five times as much in rent. (Houses built by the local Councils – public housing projects – are not subject to rent restriction, and many are rented steeply.)

While the elderly couple occupy two or three times the space they need, a younger couple with a family are cramped in a couple of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rooms, often paying dearly, for furnished accommodation is also outside the scope of rent control. It would be to the advantage of both families to trade dwelling places, but this natural and normal transfer to suitable accommodation is effectively inhibited by rent control and security of tenure.

Protected Tenants

The tenant who enjoys rent control also enjoys security of tenure. His rent cannot be raised, and he cannot be put out in favor of a would-be tenant who would gladly and voluntarily pay an economic rent.

The mischief created by security of tenure is enormous. The borough of Croydon on the outskirts of London has come to the end of its housing tether. Every single acre within the borough boundaries has already been used up to build government houses, and there are still thousands on the housing list who now have no hope left at all. At the same time, there are one thousand houses in the borough standing empty and ready for sale. They stand empty because few people with the money want to own a house of that type in the districts where these houses are situated. The obvious solution would be to offer these houses for rent; but the owner knows that if he once rents the house under rent control, the tenant will be an "old man of the sea." If he tries to sell with a protected tenant inside, he will be lucky to get half of what he himself has paid.

If there is a protected tenant in one house and no such privileged person in the similar house next door, the houses will sell for considerably different prices. A house with a protected tenant can only be sold at an artificially low price, whereas a house with what is called "vacant possession" will sell for more than it would on a free market. Thus, both for house purchase and for house rental, a large part of the population is paying far less than it should and another large portion far more.

The result is the creation of a housing problem which need not have been. Indeed, there is not really a housing problem – only a problem of rent and tenancy. There are fifty million men, women, and children in Britain; and there are sixty-five million dwelling rooms. In spite of this, the public authorities are building nearly one thousand houses a day in a frantic effort to deal with overcrowding and homelessness. The cost of the amortization of these government-built houses will be felt in the burden of taxes for the next sixty years.

The economic case for abolishing rent control and security of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tenure is irresistible. That fact is recognized, however reluctantly, even by the Socialist party. In addition, there's a case for abolition on moral grounds.

The Moral Aspect

For all the time that rent restriction has been in force, house owners have been compelled by law to accept an artificially low return on their capital investment — sometimes a negative return. Many landlords are crippled by the burdens of their ownership even though their tenants have incomes higher than their own.

A large number of house owners are people of modest means. In Victorian days the thrifty and ambitious artisan was tempted to put his savings into bricks and mortar. He believed that this was one investment that would be reasonably safe from the fluctuations of the economy. He might die fortified by the thought that his unmarried daughter who had looked after him would own a few houses that would yield her a modest income. But that daughter today may be pinched to the last farthing to pay for the repairs that the law demands while the protected tenants drive cars and take holidays on the Continent.

This is not a melodramatic picture. It is the kind of thing that is happening today. There is evidence that some tenants are prepared to admit that their rent must go up as a matter of justice and necessity, but many more are indignant that they will no longer be able to have their house room at somebody else's expense. Socialist legislation and practice are always demoralizing.

Justice Corrupted

Even those who accept the need for a rent increase insist that they should be left with security of tenure. Thirty years ago this demand would have seemed quite irrational. The owner who let a house and the tenant who took it struck an equal bargain. Given the due legal period of notice, either side could end the bargain when it seemed desirable. The present position is that the owner cannot end the contract in any circumstance, but the tenant can end it whenever he chooses. The idea of even justice has been badly corrupted in the most unexpected quarters.

I know of a man who had determined to leave his rent-controlled house. Concealing this fact, he approached the owner and offered to buy the house at the price it would bring. The harassed owner, who could earn nothing from the rental, agreed to sell for much less than the real market value. Before the papers were signed the tenant

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

had already sold the house to a third party at its value with vacant possession, pocketing more than a thousand pounds on the transaction. In a wholesome society, this maneuver would be described as chicanery if not positive theft.

This is no isolated case but common practice among men who are otherwise of high personal integrity. They wait until the owner is desperate and then buy at a depressed price for immediate or eventual resale at a large profit.

It may be natural enough that tenants worried about their own position should not be concerned about injustice to others, but there is now in Britain a vague belief that private property has no intrinsic rights which the will of a majority may not invade or abolish whenever it should seem convenient to do so. Socialism has bitten deep into the British mind. Abolition of rent control would greatly help to shake British thought and habits out of an increasingly socialist mold. • • •

Nature's Spoiled Child

WHAT HAS COME OVER OUR AGE is an alienation from Nature unexampled in human history. It has cost us our sense of reality and all but cost us our humanity. With the passing of a relation to Nature worthy both of Nature and the human spirit, with the slow burning down of the poetic sense together with the noble sense of religious reverence to which it is allied, man has almost ceased to be man. Torn from earth and unaware, having neither the inheritance and awareness of man nor the other sureness and integrity of the animal, we have become vagrants in space, desperate for the meaninglessness which has closed about us. True humanity is no inherent and abstract right but an achievement, and only through the fullness of human experience may we be as one with all who have been and all who are yet to be, sharers and brethren and partakers of the mystery of living, reaching to the full of human peace and the full of human joy.

HENRY BESTON, *Northern Farm*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

F. A. HARPER

YOUR TAX BURDEN

2. LIMITS OF TOLERANCE

• In the first article of this series, taxes were shown to be the economic burden we place upon ourselves in the form of a governmental monopoly of force, in an attempt to control the objects of our intolerance. The cost of this process in the United States has grown and grown over the years until it now requires, on the average, the income from twenty minutes out of each hour of work.

In defining taxes in this way, no moral judgment was rendered about the conduct of our fellow men — which of their acts we should or should not tolerate. That consideration lies beyond the fact of the present magnitude of our tax burden, discussed in the earlier article.

So it seems wise to discuss briefly, in relation to taxes, this important question of morals before proceeding with an analysis of your tax burden in other respects; to consider the *should* and the *should not* of human conduct, to give a basis on which to judge the extent to which one person should presume to control another. Such is the purpose of this article.

In university teaching I always tried first to lay down the principles involved, in order that they might serve as a foundation for questions to be tackled later. This approach has the disadvantage, I realize, of initially dealing with abstractions which are not especially exciting. But despite the fact that the reader of this series is under no contract to finish the run, as were those students, it seems to me wise even here to deal at the outset with those principles which underlie any valid analysis of tax matters. I hope this will neither discourage nor divert readers from following the series along to where more exciting aspects of our tax problems are to be considered.

PRINCIPLES are always less exciting than matters of their application. Riding a motorcycle or tinkering with a car is more enticing to a boy than doing his homework on the principles of physics, from his high school text. Yet it is with principles that truth can be tested in the details of mundane affairs. Only by means of principles can we project our thinking so as to solve new problems or overcome superstitions and mistaken habits of thought.

Dr. Harper is a member of the staff of the Foundation for Economic Education.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

And that is why, in discussing taxes, it seems to me wise at the outset to consider the principles of morals as they relate to taxes. The moral aspect of controlling others underlies any appraisal of taxes because that is the purpose to which taxes are devoted.

> The value of a principle is the number of things it will explain.
> EMERSON, 1867

Two Concepts of Morals

Two conflicting concepts of morals now prevail, as always. They are in mortal combat philosophically. No one person can hold both views any more than two objects can occupy the same space at the same time.

One concept of morals is that there are moral principles which are stable and unchanging despite passing time and human ignorance of them. Though moral principles apply to human conduct and our relations with one another, they can in a sense be compared with rigid physical laws of the universe, such as gravity. The rule of such a law has nothing to do with popular understanding or sentiment. Whether only one per cent or 99 per cent of the people know and act in accord with such a law, all who violate it must suffer the consequences. Increasing violations do not diminish the power of its rule. The force of gravity, for instance, is the same for the hundredth person to walk off a cliff as it is for the first one to do so.

The first concept of moral law is similar. A person holding this view of morals believes that there are fixed consequences of acts in the moral realm, whether or not we know at the moment just what the truth about it may be.

Believing this, there is no escaping a responsibility for conduct according to our understanding of moral truth at the moment, in the same way we abide by our best understanding of physical and chemical laws of nature at any moment. The important point about this concept is the belief that there are absolute, unchanging moral truths to be sought and accepted as guides for conduct.

The other concept of morals is that there are no absolutes, no timeless and self-ruling moral principles of human conduct. This concept is not merely the proclaiming of our ignorance of what these moral laws are, or the assertion that we may be uncertain about them to some degree; it denies their very existence. It denies as a guide to action any possible wisdom that is based on the assumption of universal moral truths, unchanging with passing time and impervious to human ignorance.

Where, then, do the followers of this concept find their guidance

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for conduct? They find it in the mode of the times, as does the slave of fashion in selecting his clothes for the season's wear. According to this view, one style is as good as another, so long as others are also wearing it this season. It is a concept that might be called the *tumbleweed concept* of morals, being always driven about by the current social wind; or some call it the *middle way* concept, or the *conformist* concept, or the *pragmatic* concept, or the *popular vote* concept, or the *majority rule* concept, or the *democratic* concept of morals.

No objective truths are tolerated as a moral guide by those who hold this view because absolutes are vigorously denied. Whether murder is good or bad, whether theft is good or bad, are considered to be dependent solely on the prevailing fashion of the society in which one happens to be living at the moment. According to this view, causes have no fixed consequences in the moral realm — a denial of the first rule of any science.

It has always seemed to me that the latter, or tumbleweed, concept of morals is a logical impossibility. It reminds me of a totally mirrored room and nothing within it. By itself alone this concept can no more give an answer to any moral question than a totally mirrored room can reflect anything except the reflections of mirrors. Something of content must first be introduced from outside before any mode of conduct, any social fashion of the times, can arise to be followed. Where did the start come from?

Lacking anything else in a totally mirrored room, even a tiny object becomes so magnified in importance as to dominate the scene. Likewise with the tumbleweed concept of morals, any little ethical microbe can dictate the fashion of morals for the whole of any society which has succumbed to pragmatism.

Seeking the Truth

So my position for purposes of this discussion will be that of the first concept, namely, that moral law must be thought of in terms of absolutes of eternal truth, however dimly and incorrectly we may perceive them at the moment. As a part of this concept, it seems to me, one should be somewhat humble in the degree of his certainty about truth. Yet despite such humility, he must always abide by his best judgment, denying any truth per se in the mode of popular belief among his contemporaries. Merely because something is believed by many persons does not prove its rightness. He demands better evidence than popular

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ignorance for the moral truths he holds. This view, I believe, is founded on a logical, philosophic position.

Proof of principles lies outside human experience, which merely confirms the proof. Or according to the legal maxim, *Principia probant, non probantur* (principles are not proved; they prove).

Such a position upholds certain moral precepts which are not followed perfectly in any society, of course. Violations may be flagrant. But moral principles are in a sense like stars, guiding the seafaring man on toward his destination, though he may never touch the stars with his hands.

The Base for Morals

The belief underlying a moral code is that each person is an independent, self-responsible unit with certain rights and corresponding responsibilities.

This was once stated clearly in our Declaration of Independence: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are . . . ." That is to say, each person has certain rights equal to those of any other person. It is these rights which we shall review shortly.

But before doing so, it is well to review one aspect of morals. The only possible meaning of morals is that there shall exist *for the individual person* the option of choice between doing right and doing wrong.

A person is unlike a stone which is subservient to the forces of nature which bombard it, having no evident capacity for choice. The stone exists outside the realm of moral concern. It can't do right and it can't do wrong. Nature has laid out a course for it that is neither moral nor immoral. It is the complete slave of its environment.

A person, unlike a stone, has choices to whatever extent he is free. Insofar as he has liberty, he has choice. In having choice, he unavoidably has the option of choosing either good or evil in the sense of objective truth – the concept of morals accepted for this discussion.

It can be seen, then, that the scope of morals coincides precisely with the scope of liberty. It can be no more and no less because choice is requisite in both.

Removing liberty from a person or persons in a society, then, solves no moral questions whatever. It only makes amoral those acts which are controlled – perhaps even inducing immorality elsewhere.

Or to put the matter another way, the first step to making a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

society of persons moral is to make them free. This is not to say that when people in any society are made free, they will resolve all their moral questions wisely in the sense of eternal truth. It is only to say that they cannot choose wisely without first being free to choose; that liberty is, therefore, a prerequisite to moral wisdom.

Many persons have asserted in error, it seems to me, that persons in a society should be given liberty only after they have proved that they will act wisely. This is something like a mother saying that she is not going to let her boy go near the water till he has learned to swim; or that she is not going to let him start arithmetic until he has proved that he will solve all its problems correctly. The risks of error go with the process of learning, just as liberty entails risks as related to moral questions.

Liberty, then, is the base for morals. And liberty is predicated on the concept that each person is answerable to the rule of eternal truth; that no man has the right to answer these questions for another against the other's will; that all one person may properly do to another is to resist attack on one's own liberty, on his own rights. In short, man is free, as proclaimed in the Declaration of Independence, and may with propriety defend his continuing right to be a free and morally self-responsible individual. But he may not in justice encroach on these same rights of any other person, either.

Outline of Basic Rights

The human rights to be derived from such a base for morals under liberty are as follows:

(1) *The Right to Life.* Except for this right all other human rights would be unfounded. In the absence of this basic right the others would become merely sham and nonsense. Without this right the admonition against killing, in all the world's great religions, would be negated. Without this right vested in each person, there would be nothing to stop a ruler from assuming the right to sacrifice any number of human lives for his own purposes. In the words of a communist Russian leader, it would be an unquestioned privilege of the ruling potentate to break the eggs at will in order to make a social omelet of his own personal design.

If there is the right to life, it follows that you have:

(2) *The Right To Sustain Your Life.* You have the right to use your life as you will, so long as you do not violate the same right of others. The right to life assumes, in other words, your right to devote your efforts to sustain-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ing and developing both your own life and whatever else you deem worth-while.

In working to sustain your life, you have:

(3) *The Right to What You Produce.* This right derives its validity from the fact that life is sustained by the production of scarce things – economic things, desired beyond the available supply. Food is basic among these needs, but there are numberless other things that are also essential to a full life.

Flowing from the right to what you have produced is the right to keep it:

(4) *The Right To Own Property.* Whether you keep what you have produced for an instant or for a day or for a lifetime, under this right it is your property until you choose to do something else with it.

So the final right among this series of human rights, flowing logically from the right to life, is:

(5) *The Right To Dispose of Your Property.* When you do not wish to use your property yourself, you may sell it or trade it or give it away. You are beholden to nobody under this right. You may choose both the time and the terms yourself, so long as the other party agrees, accepting or rejecting the advice of others as you see fit.

Some Classic Codes of Conduct

Against this background of the nature of morals and the five sequential human rights, some classic codes of conduct may have more meaning in relation to the problem of tolerance.

Almost every great religion of the past, I am told, has had a code closely approximating the Decalogue and the Golden Rule of our leading present-day religions. Throughout all the varied societies of history – in widely differing times and conditions, under different leaders with differing claims to religious authority, with differing details and wording – all leading religions have had this much in common with one another.

This is not, of course, definite proof of the validity of this moral code. It merely evidences a great accumulation of human experience for survival, like the actions of infants which reflect the human instinct to protect themselves from mortal hazards to life. We may also assume a tendency for truth to persist and become evidenced in matters of moral conduct and lasting moral codes – the distillation of experience about moral truths. There can be errors in this sort of evidence, of course. Misinterpretations and adulterations creep into religious codes, which sometimes are no more than fanatical dogma. But available evi-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dence, so far as the Decalogue and the Golden Rule are concerned, is that these have endured with the persistence of truth throughout the ages in all great religions.

What do these codes tell us? Among other things, we find:

Thou shalt not kill.
Thou shalt not steal.

The five rights listed above are in complete harmony with them. For if it is wrong to kill, a person must first have had a right to life. If it is wrong to steal, a person must first have had a right to the product of his labor and to other property he has acquired without theft from others who previously owned it.

So these classic religious codes of conduct reinforce the validity of the five basic human rights listed above.

Proper Intolerance

Why all this concern about moral codes and human rights? It is because any consideration of intolerance must begin there. Any consideration of controls, from which taxes arise, must begin there. Of what conduct should we be intolerant? The question is entirely one of good and evil, or rights and violations of rights. Not all intolerance is evil, per se. How could intolerance of evil itself be evil?

If this analysis of good or evil is sound, so that we can identify human rights and human wrongs, we thereby have a basis for identifying proper social intolerance:

Social intolerance is justified against all violations of basic human rights; against violations of the Decalogue and the Golden Rule, as embodied in human rights.

The greatest intolerance of all should be directed to one's own conduct in violation of this moral code. For in starting as we did by saying that man is free, that he has a moral nature involving choices, that he is responsible for his own conduct, then one's own conduct is surely his first order of business.

Even at the risk of preaching beyond my ability to practice, I would ask: Is not one's own conduct his sole task? Perhaps one should not waste his time trying to do anything about the misconduct of others until his own attainment in this respect has become lily white. And isn't that a full-time task for us all? Such a rule would change our way of life considerably; and if we were to abide by it, the whole problem of taxes would be resolved at once.

By going through the moral code and listing of rights step by step, anyone can see that taking care of one's own conduct is a challenge to the best of us. Who among us has any license to con-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cern himself at all with the task of controlling or changing the conduct of others, if he must perfect himself first in order to obtain that license?

Defensive Intolerance

But perhaps this is too strict a test. Perhaps we have a perfect right to be intolerant of the misconduct of others under certain circumstances. Take, for instance, the murderer or thief who may be attacking you and your property. Surely you have the right to defend yourself, the right to protect and retain that which is yours. That right, I assume, is really a part of the right to life and property in the first place. You have as much right to keep life and property, or to recover property as to have had them at the outset.

I see no reason for questioning your right, then, to defend yourself and that which is your own; to recover your property, if you can; to cooperate with any other person or persons in such endeavors, insofar as all participants individually accept the cooperation and the terms of the arrangement, as separate and free persons.

But at the same time, I would strongly emphasize that no one person has the right to force participation in these endeavors upon another person if it is not freely acceptable to him. A good end does not justify an evil means. Human rights cannot be defended by violating them; morals cannot be upheld by their violation.

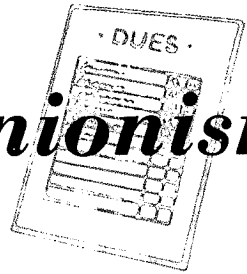
Let me illustrate: You and I may fully agree that a person has a right to life; that it is wrong to kill; that it is proper to restrain acts of murder. Now suppose that I say I am going to Africa to kill a person who is going to kill somebody. I ask your support, but you refuse me. Would I be justified in stealing from you to finance my trip? I think not. It seems to me that you have a perfect right to resist my theft of your property; that in resisting theft you do not become a murderer, in failing to finance my project.

Such are the limits of justifiable intolerance, as I see it. One may properly be intolerant of all violations of the basic moral code embodied in the Decalogue and the Golden Rule. He must first take care of his own conduct in these respects as a part of protecting himself, his dependents, and his property. He may also cooperate with others to this end, employing his own time and means to do so.

In the next article these principles as to justifiable intolerance will be applied to government as the means of implementing them. The cost of that process is your tax burden. • • •

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

HIGH COST OF *Unionism*



LUDWIG W. FREIER

As told to Charles H. Wolfe

A card-carrying union member sounds off against authoritarian practices in the labor movement

IT WAS in 1915, over forty years ago, that I first joined a labor union: the infamous and now defunct International Workers of the World. Afterwards I became a member of the Commercial Radio Telegraphers Union of North America aboard ships, then of the Iron Workers union, of the Boilermakers guild, and still others – until eleven years ago I joined the Brotherhood of Carpenters and Joiners, Local #226 of Portland, Oregon.

Throughout all these years I have been a laboring man, sympathetic with his problems, and convinced that unionism could be of substantial benefit to him. But like thousands of other card-carrying unionists in the past few years, I have become increasingly concerned over the high cost of unionism – not merely the spiraling expense of initiation and membership dues, but the cost in the loss of human dignity and freedom, seen in the fact that the managements of so many unions act as if they "own" us – mind, body, and soul.

Authoritarian Practices

Labor bosses reveal this assumption of virtual ownership of the rank and file through a host of authoritarian practices: their insistence on a closed or union shop, their presumption in speaking for members on political issues, their pretense of operating under truly democratic procedures, their setting of arbitrarily high initiation fees and dues, and of questionably large salaries for themselves.

This is not the first time I have sounded such a protest. I have done it face to face within my union and among my friends, and with letters to the editors of our local papers, the *Portland Oregonian* and the *Oregon Journal*. As a result, I have been threatened –though not directly by the union– and last September I received an anonymous phone call saying,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"Unless you keep your ––– mouth shut we'll give you the acid treatment!"

But I shall continue to say what I consider to be true, especially whenever I feel that labor unionism is seriously jeopardizing precious human rights and freedoms.

The Right To Work

I believe, for example, that every man should have the right to work – providing another man wants to hire him. But I am convinced that no self-appointed or government-sanctioned middleman (i.e., labor union official) has the right to stand between a worker and his would-be employer (despite their objections) and insist: "No, you two cannot do business together unless this man first joins my organization and pays the fees I demand!"

Whoever thinks this country is protecting an inalienable right to work in this day and age is having a pipe dream. Just try going to work on any of a great variety of jobs – carpenter, bricklayer, plumber, electrician, truck driver, or common laborer – and see what happens.

First, a union shop steward will ask to see your union card or working permit. Every job has a steward. As I see it, he is a sort of undercover agent for the union. He may be working right beside you, and is – in all cases I have known during my eleven years as a carpenter – unpaid. He volunteers for the job, often hoping to gain favors from the union. Among other duties the steward performs – on the boss's time – he takes the names and union local numbers of all members on the job and sends them to union headquarters each week to make sure that members are not too far in arrears in their dues.

The Union Steward

If you have no union card, the steward will immediately report you to the union, whereupon a business agent will pay you a hurried and not too friendly visit. The agent will give you several days in which to join the union. Your refusal will result in the withdrawal of all union men from that particular job. In the case of the Portland carpenters union, these withdrawn workers are left to shift for themselves elsewhere. Moreover, pickets will parade in front of the job with "Unfair" banners. In the case of Local #226, where I am a member, you will be declared "unfair" for not shelling out $105 for initiation dues, plus $4.50 in monthly dues, plus a $2.00 assessment.

Lumber trucks, plumbers, electricians, etc., will refuse to cross the picket line – not because they

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

resent the nonunion man but for fear of being heavily fined by their own unions. Consequently, the job will come to a complete halt. Unless, of course, the boss fires you in the meantime, or you buy your franchise from the union in order to earn an honest living.

Labor Legislation

Inalienable right to a job, whenever an employer wants you? Why, you haven't any more right to work than a jackrabbit! At least not under present federal laws which insist that employers must deal with the union chosen by the majority of workers in a trade, and that the union can demand that a man either join, or be fired.

Under the circumstances, state "right to work" laws look like a move in the right direction since they say that no employer may discriminate against a man because he does not belong to a union. But ideally, I believe, we should not have such state laws trying to undo the bad effects of the federal laws. Rather, we should repeal the national legislation and allow the employer to decide whether he is to have only union employees, only nonunion employees, or both union and nonunion; and if union, which union (or unions) he wants. This, in turn, allows the worker to decide whether he will go into a union or nonunion setup. In short, it gives both the employer and the worker *freedom.*

Cost of Union Membership

Unions are authoritarian not only in their insistence that a man join them before he can work, but also in their arbitrary demands as to how much he must pay for the "privilege" of union membership, in their dictation as to what union "services" the members must buy, and in their determination of the salaries of union officials.

Of course, if there were no government-sanctioned monopoly in the union setup – if there were free access to the field of union activity, and any number of unions were permitted to represent workers (as long as the workers wanted such representation), then the individual laboring man would have relatively little grounds for complaint concerning the costs of union membership or the salaries of union officers. If the worker didn't like the tariff charged by one union, he could always change his allegiance to another, just as a shopper can switch from one merchant to the fellow down the block who gives him better bargains.

But under the present arrangement where federal law permits union monopoly, the worker has no such choice. If I, for example,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

want to be a carpenter in Portland, which I do, I *have* to join the Brotherhood of Carpenters and Joiners, Local #226, and I *have* to pay whatever its bosses demand. I *must* shell out over $160 the first year I am a member ($105 initiation fee plus $4.50 monthly dues plus additional assessments) – even if I think union membership is worth only half that much to me, or even if I believe it isn't worth anything at all.

Package Deals

I'm not only obliged to join and to pay these fees but also, like all other members, I must participate in the union's package deals, whether or not I want them. For example, covered by my dues is a $500 insurance policy combined with a subscription to the union's monthly magazine, *The Carpenter*. Now, like most union men, I have my own insurance policies. I don't join a union to get accident or life insurance. And I don't join it to get a magazine which to me is about as palatable as warmed-over cabbage, and which I need about as much as a band leader needs the tin whistle from a box of crackerjack.

In my opinion, such a package deal is a greedy and authoritarian device for collecting revenue, not for serving union members. Since carpenters and other craftsmen come and go – quit, transfer to other crafts, enter the armed services, or move away – the turnover is tremendous. The "dues" collected in these compulsory insurance premiums amount to staggering sums which, once defaulted, become pure gravy to the unions. In case of death, the beneficiary of a carpenter receives $500 from the parent union in Indianapolis—but only if the member was paid up to date.

And keeping paid up the year round is no easy task for many carpenters, since (at least in my part of the country) inclement weather leaves us with only a seven or eight month working season. This means that actual dues, which have enlarged from $2.00 monthly in 1946 to $4.50 a month today, are even higher than they seem – between $7.00 and $7.50 a month for the average eight-month working period.

One reason these dues look exorbitant to me is that such a large part goes into arbitrarily-set salaries of union officers. The General President of the carpenters union is paid $675 per week or over $35,000 a year, while numerous other general officers are allotted from $200 to $475 a week.

Access to Information

"But," someone says, "if you and your fellow-unionists believe

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the dues and salaries are too high and the package deals undesirable, why don't you use the democratic processes of the union to bring about the needed changes?"

One of the first characteristics of a democratic and representative government, it seems to me, is that the participating members must have free access to information about its operations. But the bosses of the carpenters union, like the men who run so many other unions, seem to feel it quite unnecessary to reveal pertinent statistics to the rank and file. The truth about union finances is kept somewhat obscure.

On January 15, 1956, I sent the following letter to the financial secretary, Carpenter local #226 in Portland:

Dear Sir and Brother:
Will you be kind enough to furnish me the following information?
How many business agents and other full-time officials have we on Union payrolls?
What portion of membership dues is sent to the parent union? What portion is kept by the local union? What is done with the interest on the $350,000 in U.S. Bonds held by local #226? What will this money be used for ultimately? What money is now in the local treasury? What property is owned, partly owned, or controlled by the Carpenter's union? Who is vested with authority to make contributions to political campaign funds? And why, as newspaper dispatches point out, are contributions always made only to the Democratic campaign fund?...

Other questions followed, but not one was answered. As my coworkers had predicted, my request was as completely ignored as if I had sent it to Santa Claus at the North Pole.

Pseudo-Democratic Processes

"Still," someone says again, "even if the union does not answer such requests for information, certainly it allows you to express your views in elections!" And the union officials reply: "Of course – membership votes determine all issues."

Often it appears that they do. But what union bosses don't tell you is that their rehearsed stooges, strategically placed near microphones in the huge meeting hall, give lip service favoring the union's proposals. The weak-kneed, the intimidated and the habitually reticent, awed by the flags, the ornate trappings, and the huge crowds – although frequently opposed to the proposal at hand – remain discreetly silent. The more brazen and articulate members are ruled out of order by the chairman, with little or no provocation other than their obvious disapproval of the issue presently at hand.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Most carpenters, like most workingmen, are honest, hard-working, conscientious fellows who, though far from being intellectual giants, can read not only blueprints but also between the lines, especially on issues concerning their own welfare. But to speak before a crowd of several thousand men – that is something else again. Furthermore, to speak into a radio microphone – well, that's a job for announcers or actors or politicians! So time and again they sit back in silence while stooges promote the proposition favored by the bosses.

Often a voice vote is used. When a ballot is employed in our meetings, it consists of a white piece of paper about 3 x 3 inches, printed with the two words YES and NO, and a box after each for the voter to place his X. The ballot custodians are union-picked men who count the ballots after the meeting adjourns. As far as I can tell, these oversimplified forms have been variously interpreted, and sometimes to suit the prejudices of the union bosses. For example, it appears that the ballots have been read as meaning: "Yes," the voter is in favor, or "No," he is not opposed. Or vice versa! Every vote, be it Yes or No, can be construed as concurring with the union's proposal – thus producing a truly farcical decision.

The Union and Politics

Many times measures of little importance may be voted on quite legitimately. This, no doubt, gives seeming credence to the integrity of the union's voting system. But on extremely important issues, such as the union's involvement with politics and its presumption of representing the views of members, there isn't even the pretense of democratic process.

You may read articles saying, "Labor endorses Whosit as its candidate." But what does this mean? The rank and file have not voted on the candidate. The matter has been decided by the union bosses who in turn try to sway the votes of their own members as well as of the populace at large.

Union leaders have all too frequently, and in the name of organized labor, issued statements on political, economic, academic, and social questions, purporting to reflect the views of their members. However, since the membership is not consulted and is made up of both Republicans and Democrats, as well as some outright socialists and communists on one hand, and at least a few libertarians and strict Constitutionalists on the other – union officials can never be either truly accurate or actually justified in making such statements.

Further, some unions are at-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tempting, by devious methods, to register and catalog their members' political affiliations. This move ultimately may be the deciding factor in who goes to work and who does not. The threat carries implications.

Right To Organize

Let me conclude by saying what I hope has been obvious throughout: that I am for the laboring man 100 per cent, and have never questioned the right to organize nor the values that could come from a properly conducted labor union. However, as long as the coercive force of government gives monopolistic powers to unions, and as long as these unions are operated as authoritarian bodies with only a slender pretense to genuinely democratic procedure, I myself must question whether the cost of unionism today – in terms of economic and personal freedom – can be justified. Can any goodness emerge from the compulsory practices now being conducted in the name of organized labor? • •

IDEAS ON LIBERTY

The Enemy Within

THE DEADLIEST ENEMIES of nations are not their foreign foes; they always dwell within their borders. And from these internal enemies civilization is always in need of being saved. The nation blessed above all nations is she in whom the civic genius of the people does the saving day by day, by acts without external picturesqueness; by speaking, writing, voting reasonably; by smiting corruption swiftly; by good temper between parties; by the people knowing true men when they see them, and preferring them as leaders to rabid partisans or empty quacks.

WILLIAM JAMES, *As William James Said*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

An Agriculture
WITH A FUTURE

CHARLES B. SHUMAN

PICK ANY PERIOD in the history of this country as a base, and then look forward. You will be forced to conclude that American agriculture has always had a good future. We have progressed.

We have moved forward toward a better standard of living for farm folks, increased efficiency on the farms, and lower costs and cheaper food for the consumer.

I think the record will prove that the increases in efficiency on American farms have been reflected in reductions in costs to consumers. It has been reflected in savings as is illustrated by the fact that today the average factory employee works only 41 hours to secure the food supply for his family for one month, while as recently as 1952 it required 51 hours. Food, in terms of purchasing power of consumers, is today as cheap or cheaper than it has ever been in the history of this country.

We on the farms of this country have had twenty-five years of experience with government activities in the realm of solving farm problems: twenty-five years of sad experience. In the last five years through both Democratic and Republican administrations alike we have had a 23 per cent decline in net farm income.

But out of this twenty-five years of experience we have learned some lessons. So all has not been lost. I list a few of these lessons, not to explain them but simply to illustrate where we have been.

Some Lessons Learned

The first lesson we have learned is that prices of farm products are not made in Washington. Farm prices are made where the consumer accepts or rejects our product. Not all politicians have learned this lesson, as judged by speeches that are in the press every day; nevertheless, it is true that farm prices are not made in Washington. If they were, Congress would not have permitted a 23 per cent

This article is from a recent address before the American Meat Institute. Mr. Shuman is President of the American Farm Bureau Federation.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

decline in the price of farm products in a five-year period.

A second lesson we have learned is that you cannot control the production of agricultural commodities by law. It would be possible, of course, to control production if the cuts dictated by law were sufficiently severe and enforced, but the Congress will not impose restrictions to bring about material reductions in production.

Quotas, allotments, and other devices have generally failed to reduce agricultural production.

A third lesson we have learned is that we can price our products out of the market. Most farmers assume that people will always eat food; and yet while they will always eat food, they do not need to eat food produced by farmers.

Fifteen or twenty years ago the only reliable source for vitamins and minerals in the human diet was food. Today you don't need food to secure vitamins and minerals. You can go to the corner drug store, buy your vitamins in pills and your minerals in a bottle, take a pill and swallow some tonic, eat a bale of hay, and you are on your way.

This is almost literally true. Scientific laboratories can and will, if we insist on pricing our products out of the market, produce the food that goes into the great majority of human stomachs.

A fourth lesson we have learned is that price has a function. I am sure that most farmers are more and more learning that price has a function. That function is one of change. The most important characteristic of price is change. If it were not for the fact that prices change, and that we need this price change constantly going on, we wouldn't need price at all.

These are a few of the lessons that we have learned.

Popular Fallacies

Now there are some popular fallacies that ought to be exploded. One of these is that a surplus of farm products in government storage is a good thing.

This is absolutely not true. The only really good place for us to accumulate our surpluses, our reserves for the future, is in the soil and in livestock. Surpluses in government hands serve no useful purpose. In fact, they are a millstone around the neck of agriculture.

Another popular fallacy is that you don't need to worry about the future in agriculture because all you need to do is wait a few years and population will catch up. We are currently producing about 15 per cent more than this country will consume at current prices.

There is no basis for any comfort in this theory because our

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

history indicates that we can increase our productivity in agriculture more rapidly than we can population.

We are just now commencing to open new doors to technical knowledge that can mean great increases in productivity in American agriculture. If we applied the knowledge we now have to all of the agricultural production in this country, we could increase our output by 30 to 50 per cent.

There is no hope that population will catch up with our productivity in agriculture as long as we continue to stimulate production by artificial means.

Despite any probable population increases in coming years, we will still be plagued with "surpluses" in agriculture if prices are supported above the free market for any extended period of time.

Surplus and Subsidy

Another popular fallacy is that you can give the surplus away. All you need to do is to issue food stamps or subsidize low income persons or feed the starving in other countries. The level of income of the average person today is the highest in real purchasing power that it has ever been. There may be a few people in the United States who would increase their consumption if given free food or subsidies to increase their income, but it would be a very small proportion of the population.

For all practical purposes income limitations are not the reasons why many people in this country continue to eat an inadequate diet. It is a matter of choice or a lack of knowledge in most cases. As far as the world is concerned, of course, there is widespread malnutrition, but again the surpluses that we have accumulated in this country are not the kind of commodities that will correct this malnutrition.

There is a world-wide surplus of wheat. Nobody is starving to death because of a shortage of wheat. There is a world-wide surplus of rice. There is a world-wide surplus of cotton, of feed grains. Practically all the commodities we have in surplus are in surplus position everywhere in the world.

True, we can dispose of them gradually if we could shut down the intake into the surplus stockpile. The great need, of course, is to upgrade the level of human diet, both at home and abroad. If we could do that, we would not have surpluses because an adequate diet would use up most of the things which we have in surplus supply.

This is not something we secure by legislation or by subsidy. I want to tell you this little story. I have a neighbor. He inherited a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

120-acre farm forty years ago debt free, with good buildings, good livestock, good fences, and high-level fertility. Today, forty years later, after living off this farm and putting very little back, this neighbor of mine has one of the poorest farms in our community.

His net income last year was probably not over one thousand dollars. One of our good senators remarked to me that, of course, this was not adequate for a good standard of living for his family. He suggested that the federal government should pay this farmer a subsidy. In fact, he drafted a tentative bill to pay $2,200 minimum to keep these folks on the farms, and I suppose, to keep them from competing with industrial labor in the city.

I said to the senator, "My neighbor had $1,000 net income in 1955. Under your proposal, Senator, I suppose you would pay him $1,200 to bring him up to $2,200." He said, "That is right."

"Now," I said, "if you paid him $1,200, how much money would he have for 1956?" He replied, "$2,200, of course; $1,000 he made, plus $1,200 we give him."

I said, "Senator, the trouble is that you don't know my neighbor. If you give him $1,200 from the Federal Treasury, the total of his net income would be $1,200. He would not plow a furrow on his farm. The level of his desires, the amount of money it takes to buy his bread and bacon and beans and whiskey is $1,000. You would provide $200 more than he desires to earn."

This is the political approach to the solution of farm problems, the idea that you can get something for nothing, the idea that you can buy prosperity for American agriculture, the idea that you can replace economic laws with political laws.

All these things we have found by experience to be unsound.

Emotional Errors

Now we come to the emotional approach which is so prevalent, and we hear the heart-tearing, tear-jerking appeal to take care of the small underprivileged farmer, the fellow who is getting forced off the land by the great corporation farmers. This is a fallacy which has absolutely no foundation in fact. Corporation farming is not increasing; 97 per cent of the farms in the United States are family farms. This is exactly the same percentage it has been year after year for the last forty or fifty years.

It is true, of course, that the family farm is becoming more efficient and larger. One family can operate more and produce more

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

per worker than ever before in American agriculture.

We have increased our efficiency 80 per cent in the last fifteen years – more, I believe, than almost any other industry. We have been releasing about 300,000 workers per year to go into industry or other occupations.

This is good. This is the kind of basis we have had for progress in American agriculture for the last several generations, constant emphasis on efficiency and the release of more and more workers to go into other occupations to produce the things which we cannot produce on the farm.

If Change Is Forbidden

This, then, is the difference between an agriculture with a future and one with a past. If you look at the agriculture of many other countries of the world – Sweden, Britain, Italy, France, Germany – you will find that agricultural progress and national progress in most cases stopped when efforts were made to fix or freeze on the farms all the folks that were then on the farms.

I visited in Southern Italy last fall on a small three-and-a-half-acre farm that had been in the same family for over nine hundred years. Their farm was the same size, raising the same kind of crops with the same kind of tools they had nine hundred years ago. There was no opportunity to accumulate capital to expand the business, no opportunity to develop new methods to increase the productivity per worker. Why were they fixed in this rut?

This happened, in part, because a government that professed to want to be kind to farmers passed laws to keep more and more people on the land and set a pattern which either forced or unduly encouraged excess workers to stay in agriculture. This is not a very pleasant prospect for the future if that is the road we are going to travel in American agriculture.

I don't think that we are going to travel that road. We have been learning lessons and making decisions. As yet, the decisions have not been too clear-cut. However, it is well to note that in the last Congress the decision was made not to return to the pattern of fixing prices that has done so much to carry us down the false road in recent years.

In the first year of the application on a very modest scale of the flexible price supports, we halted the five-year decline in farm prices and farm income. Another straw in the wind is that farmers have successfully resisted efforts to bring the livestock industry under the government control pattern.

Government price fixing, crop

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

acreage control, and storage programs have interfered with the natural operation of livestock production as a balance wheel in American agriculture. Prior to these programs, livestock provided the function of a natural ever-normal granary. It furnished a means of adjusting total agricultural production to the volume the market would absorb. Today that function has been disrupted with livestock continuing in a free market, and grain moving in a controlled market.

A Positive Program

Yes, the future of American agriculture is good if we have the good judgment to build on the pattern of past success. This means that we must place emphasis upon continued research for new knowledge to bring about increased efficiency of production, marketing, and distribution. This means that we must continue to place emphasis upon the importance of the free market and of prices that change to reflect variations in consumer demand and the supply offered by producers. This means that rather than attempting to control production we must work to expand consumer demand at home and abroad through education, promotion, and increased international trade. This means that we must move away from continued dependence upon an all-powerful federal government for the determination of price and production patterns in agriculture.

I am convinced that farmers are making the right decision, the decision that freedom of opportunity for the individual is more to be desired than political promises of equal shares in a socialistic economy based on security. • • •

IDEAS ON AGRICULTURE

The One That Will Work

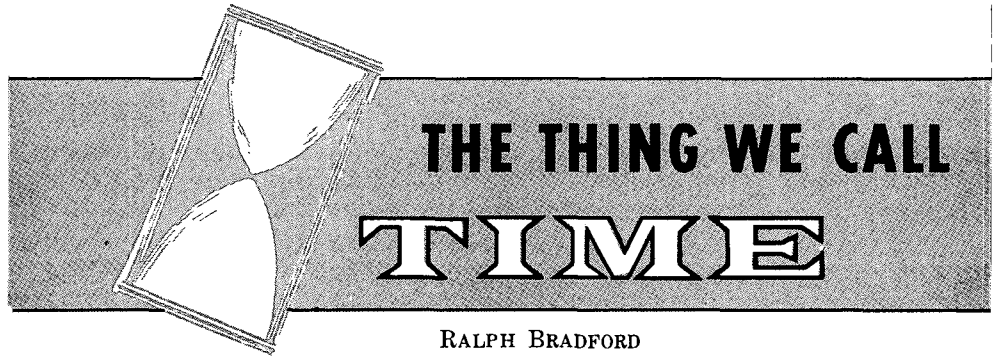
WE HAVE HAD PROGRAMS for everybody who called himself a farmer and for many who didn't — programs which plowed under pigs, which paid individuals vast amounts of money for not farming, which encouraged people to produce for government instead of for market.

I think many of these plans were ill-conceived, poorly administered, and self-defeating. They carried us down the wrong road. Any plan which doesn't lead in the direction of a free, de-controlled, de-subsidized, supply-and-demand agriculture is not a good plan and is not good for the American people.

The only farm plan that will work — that has ever worked satisfactorily — is a free market. Let's get back to it.

TOM ANDERSON, "Straight Talk"
From *Farm and Ranch*, February 1957

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



THE THING WE CALL TIME

RALPH BRADFORD

BECAUSE we like to express the unfathomable in familiar symbols, we conceive of time, which is a purely ideal construction, as a sort of highway upon which we ourselves pass from vanishing point to vanishing point.

Actually there is no future and no past, and no separation of era from era, all things being endless, unified, integrated, inseparable, and continuous – except as the continuity is lost through our limited understanding of cause and effect. We glimpse the truth of this now and then; but for the most part we are unaware of it, and express the experiences of our lives in terms of past, present, and future. Thus we divide time off into segments or compartments, bringing certain periods to abrupt ends on convenient dates and starting new periods or compartments as though we had suddenly passed some kind of barrier, opened a door, or jumped over a wall.

During the dreary years of the second world war we all set up rather hopefully in our minds and speech patterns a new time compartment which we labeled "The Post War Period." Who does not now remember with some nostalgia our attitude in those days toward the *apres-guerre* times? It was almost as though people expected everything to change on V-Day, when we should have leaped over the wall or passed through the gate of military victory and entered a longed-for new time compartment.

And then one day rather abruptly the war was ended. We had leaped the wall, passed through the gate; we had entered the long-heralded new time period—and behold, it was no different essentially from any other that we had known, except that for a short while young Americans were not dying on distant fields. It was, indeed, not a new time at all. It was simply a continuation, a part of all that had gone before. It was a part, too, of all that was to come

Mr. Bradford is a well-known writer and business organization consultant.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

– an idea that is a little more difficult to grasp. War tensions gave place to peacetime tensions; forces that were set in motion during the war and long before continued to exert their influence; causes long since forgotten resulted in their inevitable effects, which in turn became causes themselves for yet-to-be-seen effects. In short, past, present, and future merged as always in the one moment of life that men consider their own without question, because it is the only one (except for rare interludes of near-clairvoyance) that they really comprehend and savor – the present.

The Idea of Time

It might help to clearer understanding of cause and effect if we could find terms to express the idea that there is no such thing as a division of time. You may say that I have just expressed that idea in flat and unequivocal terms. But I have not expressed the idea at all; I have merely made a statement about it. The idea itself, like that of time, is elusive and difficult. For instance, have you ever seen the thing we call time, and can you tell me what it looks like? Is it a substance, or merely an abstract idea? Or could it be a dimension? And if a dimension (or whatever), can you conceive of its being whacked up, or fenced off, into three segments – one of which, representing the present fleeting instant, is infinitesimal while the other two extend infinitely?

We know about the present, the *now*. It is the precise point in time of which we are all conscious. It is this moment. But before you can think it, this moment has gone, and another has taken its place. Where does "this moment" go when it stops being *now* or *is* and becomes *then* or *was?* We expect and hope, of course, that each vanishing moment will be replaced by another and another endlessly. Where will those "new" moments come from? Do they descend upon us out of nowhere? Do they, once we have lived through them, disappear into nothing? To me, one thing in all this mystery seems inevitable: that time (whatever it is) must be continuous, unitary, indivisible.

Yesterday Begets Tomorrow

In the practical and tangible affairs of life, our yesterdays and our todays determine and are part of our tomorrows. Years ago we prepared today's events, or our fathers did, not by any plans that were consciously made for today, but by what was decided and done about yesterday's problems. The present is explicitly the result of the past; and the events of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

next decade, the next generation, the next century and beyond, are now being determined, not so much by what we plan for the future as by what we do about today. "Man is where he is," said Emerson, "by repeated choice." There is a perpetual interplay of cause and effect; and upon the high-lighted stage of the eternal now condition your life and will the present, and the future. This we can at moments comprehend, though for the most part it evades us in our habituated thought patterns.

Look at the Record

"But all this is nonsense," you may say. "Clearly I am living in the year 1957, on the present day of the current month." But what about the years that happened to be numbered 1933-34-35, when national programs were started and national policies were adopted that now condition your life and will condition the life of your son, and his sons, too—and theirs? Are you not in a very real sense living in those years as well? Do they not reach into every moment, every action, of your present? And what of 1898 when your country made its first bid to become a world power? When this year you dig deep into your earnings to pay that part of your federal tax which is being spent to maintain your country's present "place in the sun," you are continuing to support a program that was really started back at the end of the old century.

For that matter, what of 1776 when it was decided that thirteen sprawling American colonies ought to be free and independent states? You and I live today as American citizens rather than as British subjects because of some words which a few men, at the imminent risk of their lives, wrote on a piece of paper in the hot summer of that memorable year. By the same token, some day it may be recorded that your remote grandson is a citizen of Northatlantico or of the World Unistate because of decisions that were made and policies that were instituted in the middle of this century. Both figuratively and actually, therefore, your consciousness embraces past and future, as well as present.

If I had told you twenty-five years ago that the United States, within a quarter century, would be operating under the kind of economic and political pattern that we follow today, what would you have said? Most probably you would have indignantly denied that this country would ever "go socialistic." Or, if anyone had asked you then whether the American dollar, within twenty-five years, would shrink to less than half its value at that time,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

what would you have said? If you are an average person, you would likely have denounced such an idea as the doleful sentiment of a prophet of gloom and doom. Yet now both these "impossible" conditions have come about. Why?

Seeds of Socialism in the U.S.

It is because yesterday and today are one. It is because twenty-five years or so ago a good many million Americans, upset by what was termed an emergency and baffled by troublesome economic conditions that were themselves the results of collective bad judgment, accepted as a "temporary" measure the idea that the government must make itself responsible for the economic welfare of its citizens. In adopting this course we ran counter to our own national experience as far as it had gone, and to the experience of the ancients as it is abundantly recorded.

What we did, without most of us being very conscious of it, was to begin experimenting extensively with the always-fascinating (to some) but ever-dangerous (to all) notion of a "managed" economy. On a scale never before contemplated in this country, we began the process of converting our system from the status of a relatively free economy to that of a tightly regulated and controlled one. Of course, ours was not and had never been a completely free economic system, because our people would not let it be.

Most people will agree readily enough with the Jeffersonian ideal of government – namely, that the least governed are the best governed. They will agree that men should be as free as possible; that government should protect them in their life and property, restraining them only when they attempt to interfere with or injure others. But whatever their protestations on the side of untrammeled freedom, men and women have seldom been willing to live under that sort of government. They constantly demand that it step aside from its original and natural role of impartial protector and become the paternalistic supporter of various elements of the national community, often to the detriment of other elements. Government soon becomes a kind of battleground among its own citizens, where individuals, and especially groups of individuals, fight other individuals and other groups in order to obtain special laws or concessions or privileges or benefits.

A man who is very active in the labor movement once told me that he looked upon government "merely as an agency for getting things done." What he wanted done, naturally, was something

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that he thought would be of benefit to labor. In this he was following the same pattern that is often followed by other leaders – farm groups, business groups, professional organizations – in short, by nearly everybody.

Each group seeking legislative or other favors does not seem to realize or care that a hundred or a thousand other groups are doing the same thing; and that under the relentless pressure of these demands government is forced more and more to inject itself into the lives, businesses, professions, and livelihood of all its citizens – with little real benefit to any, and with long range injury to all.

The Spiral Widens

This is a continuing process. Even in the simpler days of our post-Revolutionary period there were already many restrictive laws born of the demands made by groups and individuals for advantages that could be secured to them only at the expense of others. Each decade and almost each year has seen the expansion of our costly bureaucracy because each year and decade has witnessed the growth of pressure-group demand, the increase of legislative and administrative acquiescence, the enormous increase of the money required, the multiplication of taxes levied. It is a mounting and widening spiral, and the end is not in sight. It is past and present descending with terrific impact upon the future.

Despite all this (such is the amazing virility of our system) within the limits imposed by our demands we have an economy in which there is still considerable freedom of action and choice. If a citizen can surmount or circumvent the barriers and hurdles that he himself and his fellow citizens have placed upon the free market of this economy, he can work, practice a profession, go into business, or make investments as his preference lies or his judgment dictates.

Under such a system many will succeed; some will fail. Of those who fail, some will be unsuccessful because of hard luck; others will succeed mainly because they "get the breaks." In the main, however, those who work and save and plan, who display industry and ability and ingenuity, will be rewarded. Those who for one reason or another do not succeed, and especially those who are truly in need, will always invoke the ready sympathies of men of good will who wish to help such people and who do help them generously.

But there are always some who prefer to administer such help by force of law. The State, they say, owes everybody a good living;

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

therefore, they would make everybody, in effect, wards of the State, to some of whom much shall be given, from many of whom much shall be taken. They would set up laws that provide for a division of the wealth which all have accumulated, taking away from the industrious, the shrewd, the able, the successful, and the merely lucky, and handing it over to the others in various forms.

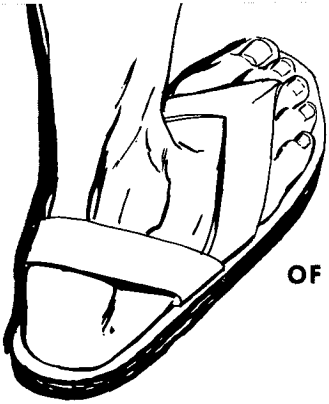
Sequences and Consequences

But that is not the end of the matter. Those who desire thus by law to redistribute earnings and wealth are rarely content with just that. Usually they also wish to control, direct, regulate, and "manage" the whole economy; and they are quite willing to destroy the prosperity of the many in order (as they believe) to improve the condition of the few. When you add their program to that of the various segments of our society that are the beneficiaries of gigantic government subsidies, you have created more debt, more bureaucracy, less wealth, more but cheaper money, and less freedom for initiative. Even the economic system, which to the greatest extent ever known in history has supplied the needs, gratified the wants, and elevated the standards of a whole people, cannot forever withstand such debilitating drainage of its strength and substance.

Yet endlessly the consequences of the past pound upon the present, and both thrust against the future. Each decade produces its quota of those who strive to enrich themselves through subventions taken from the common treasury at the cost of all. Each generation brings its army of zealots who believe they can, by the compulsion of law, erase all inequalities, redress all evils, and usher in a kind of economic and social milennium. They would like to "grasp this sorry scheme of things entire.... and then remold it nearer to the heart's desire." The part that such people habitually omit from the statement of their purpose, and often, I am sure, from their understanding of it, is precisely what I have omitted from the quotation – namely, that they would first, in Omar's phrase, "shatter it to bits!" And once a thing is shattered to bits, it is exceedingly difficult to put it together again.

And the important thing about all this, in its relation to the time concepts that we have been considering, is that what we shatter *today* we destroy *for tomorrow*. Moreover, such shattering may reach also into the past and destroy very fine things that were patiently and laboriously builded in faith and honor by our fathers.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



The Achilles' Heel OF SOCIALISM AND COMMUNISM

G. SUMNER SMALL

THE Achilles' heel of socialism and communism is that these systems of human relationship are the least productive of any that have ever been devised in the course of human history. Not only do the psychological effects of these systems on the individual reduce his productivity, but their technological effects on the intricacies of modern industry throw it into confusion and destroy its efficiency.

It is a tragic example of the great gulf existing between theory and fact, that the devoted and dedicated designers and promoters of these systems believed that under them the people could produce more per person, consume more per person, and therefore live utopian lives of prosperity and contentment. Actually, in the hundreds of instances in which socialist or communist colonies have been established, it was found that the people produced less and were forced to consume less than under any other system. They were forced into lives of deprivation, poverty, and unhappiness which they were not long willing to endure.

Intellectual Theory

The amazing resurgence of socialism and communism in modern times was sparked by Marx and Engels and later became a badge of intellectualism. The emotional drive for this resurgence arose out of the resentment against what appeared to be the suppression and ill treatment of workingmen in the early days of the development of mechanized industry. These intellectuals were certainly not unaware of the failure of past socialist and communist colonies. Nevertheless, they theorized that an industrial civilization with a strong central government and a centralized system of national planning and control would be able to avoid business cycles and depressions and produce such a vast quantity

Mr. Small is a Mechanical Engineer, advisor on industrial management, and manager of the Pioneer Warehouses of Brooklyn.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of goods that a utopian condition of prosperity could be produced and maintained.

So strong has been this modern impulse that few, if any, countries have wholly escaped its influence, while under communism Russia and her satellites have been almost completely socialized. Again we are faced with the vast difference between what theory expected to happen and what has happened in practice. If we examine conditions in various countries today, we find that the poverty and discontent in any country is almost directly in proportion to the extent to which that country has been socialized.

Terrorism Inevitable

People will not long remain of their own free will in a communist or socialist colony or country. In the early days of America, leaders and followers, all enthusiastic with the ideas of communism, established many communist colonies in various parts of this country. In a short time, their low production of food and necessities created such a condition of poverty that they were disillusioned, and they either changed over to a system of private property or else the people deserted the colony. The same results can be seen today as young Englishmen desert semisocialized England to go to Canada or Australia, as refugees pour out of East Germany, and as others risk their lives to escape from Hungary and from conditions of life that are intolerable to them.

Complete communism or socialism can only continue to exist, as in Russia, when the government stations border guards to keep the people from escaping and establishes a cruel system of terrorism to prevent their rebelling and overthrowing the government. There is and can be no such thing as a benign socialism. Wherever socialism is established, its low productivity creates intolerable conditions for the people; and they can only be induced to submit to them by a brutal and terroristic system of repression. These facts help to explain what is going on in the world today.

Tried — and Disproved

The ideas of communism and socialism are not liberal nor modern nor progressive. They are not the wave of the future but are the errors of the past which have been resurrected and tried on a modern industrial civilization. These ideas probably were tried and discarded in the dim and ancient past — long before the advent of written history. They were well covered in 427 B.C. in Plato's *Republic*. They were resurrected in England by Sir Thomas Moore in his book, *Utopia*, which was published in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

1551. In 1848, in the *Communist Manifesto,* Marx and Engels applied utopian concepts to industrialism, and outlined procedures for creating class warfare and for undermining and disrupting civilization so that communism could be established on its ruins.

Early Experiments in the U. S.

Few people seem aware that communism has been tried many times in America only to fail and be discarded. One of the earliest communist colonies in America was established at Plymouth, Massachusetts, by the Pilgrim Fathers who sailed from England in the "Mayflower" in the year 1620. Their problem was the simple one of building rough homes and raising food, but they were unable to meet it under communism and came close to the point of starvation. In 1623, Governor Bradford was forced to abandon communism and to assign individually owned farms to the settlers. After this wise move, the colony prospered.

Governor Bradford had much to say about the faults of communism and equal sharing, much of which is pertinent today. He found that the industrious resented equal sharing with the drones, the skilled resented the unskilled, the intelligent resented the stupid, and the strong the weak. The married resented the washing and chores their wives must do for other people. The system was found to breed confusion and discontent. It resulted in antagonism, indifference, and low production. In modern times, the same conditions, causing the same results, are holding down the production on Russia's sovietized farms, despite their extensive mechanization.

Plymouth was but a modest beginning for communism in America. About 1825, Robert Owen had managed to establish six communist colonies in America: two in Ohio, one in Indiana, one in Tennessee, and two in New York at Haverstraw and at Coxsackie. They were no more successful than Plymouth, and communism was soon discarded.

The Phalanx Plan

Probably the most extensive and amazing establishment of communist colonies in America resulted from the enthusiasm created by the Phalanx Plan which was devised by a Frenchman named Francois Charles Marie Fourier. In those days as in modern times, communism received strong support from many of the leading intellectuals. So it is not surprising to find that the Phalanx Plan was approved, supported, and promoted by such distinguished persons as Nathaniel Hawthorne, William Ellery Channing, James Russell Low-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ell, John Greenleaf Whittier, and Charles A. Dana. By the year 1840, over forty of these communist colonies, containing in all more than 200,000 people, had been established in territory stretching from New England to Wisconsin. Within a few years they had disappeared. The enthusiastic people who had established them found that communism produced only poverty and conditions under which they were unwilling to live.

Many other colonies based on various particular conceptions of communism were established and failed. Many colonies were established on a communal basis by religious sects. One of these, The Shakers, is still in existence. Some communal colonies have endured by conversion to capitalism. The most notable among these is Amana which produces refrigerators and air conditioners, and The Oneida Community which produces silverware and animal traps.

New Deal Experiments

The latest attempt to establish communist colonies in the United States was made during the time of the New Deal. These colonies were to be beacon lights showing the new path into the future, and no expense was spared to equip them with every facility to assure their success. They were designed to be a combination of farming and manufacturing. Model homes were built for the people, and they were supplied with a model, up-to-date manufacturing plant. Like all communist colonies, these failed to produce enough goods to support the people. When they finally degenerated into nothing more than extremely expensive charities, they had to be discontinued.

Communism has been so thoroughly tried out in this country and has so definitely proved incapable of creating a decent life for the people involved that even its most devoted and enthusiastic supporters should have been convinced. It is amazing that so many people still wish to establish socialism or communism for the whole country and confidently expect that utopian conditions will result.

When Governor Bradford referred to the confusion created by the communist experiment in Plymouth, little could he have visualized the devastating chaos resulting from attempts at national planning and control in modern industrial societies.

Even today, few persons appreciate either the importance or the complication of managerial planning and control in a highly mechanized modern industrial plant. Management must sell what the plant can produce, or else change and equip the plant to produce

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

what can be sold. If the plant is equipped with 50 lathes and 50 milling machines, a group of products must be sold corresponding to the output of that combination of machines if the maximum productivity of the plant is to be realized.

Problems of National Planning

Under national planning and control, some clerk in a distant bureau tries to determine what each of hundreds of different plants is to produce. Yet he cannot possibly have the detailed knowledge of equipment and capacity that would be needed to assure efficient operation of each plant.

A continuous output of finished products and the continuous flow of materials to keep productive machines constantly operating depends on the regularity with which incoming raw materials, supplies, and parts are received. Where dozens of national planning bureaus take over and control the supplying of hundreds of thousands of items of material and supplies for all manufacturers, effective planning to maintain a continuous flow of materials and parts to each individual plant becomes an impossible task and the efficiency and output of the individual plant is severely reduced.

Faced with failure because of the myriads of details involved in their work, the national planners invariably attempt to correct the situation by adding more bureaus, more planners, more controls, and more complications in an endlessly expanding and unproductive process of controlling and policing every human activity and relationship. The only effective remedy would be to decentralize and place planning and control back in the hands of individual plant managers, where it was originally and where it belongs.

The Threat to World Peace

Let us now consider how these problems of inadequate production have forced communized and socialized countries to take such actions as now threaten the peace of the entire world.

Since its inception, the USSR has been engaged in a desperate drive for the production of the goods necessary to give a better life to its people, against a system that persistently strangled production. Five-year plans for an ever-increasing production were established one after another and with little success. Quotas of production were set for the plants and for the workers and quite unsocialistic rewards were given to individual workers for high production, with severe penalties for production below the norm. Plant managers who did not produce their quotas were demoted or even liquidated. Slave

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

labor camps were established for both political and war prisoners. If they could be forced to produce more than they were permitted to consume, that would supply extra goods for the remainder of the people.

After the second world war, when Russia took over many highly productive countries in Central Europe, including the territory known as the bread basket of Europe, prospects looked brighter. The accumulated surpluses of these countries helped Russia temporarily but were soon gone. The countries themselves deteriorated rapidly under socialism and their production soon fell to the point where many of them were consuming more than they produced. Poland, previously a large exporter of food, now had to import wheat to stay alive. A good picture of the contrast between the countries taken over as compared to the countries remaining free is the productivity and prosperity of West Germany as compared to East Germany.

By 1956, conditions within Russia and its satellites were so ripe for rebellion that it became necessary for Russia to relieve itself of the burden of supporting those satellites who were consuming more than they produced, particularly Poland and Hungary. If it could be made to appear that these countries had broken free from Russia, the United States might contribute enough money and goods to them to raise their standard of living above the rebellion point. Poland went as planned; but the Hungarians rebelled and it was necessary for Russia to invoke a stepped-up terrorism to hold them in line.

The Plague Spreads

In the Middle East, where lies the Suez life line between East and West, and the supplies of oil necessary to keep the factories of Europe running, we encourage a dictator variously described as an ardent socialist and as a dedicated communist.

Since the advent of Tito and communism, Yugoslavia has failed to produce enough goods to be self-supporting. And Tito frankly admits that Yugoslavia's economy would collapse except for contributions from the United States.

Bolivia's once highly profitable and tax-paying tin mines have now been socialized and are no longer profitable. Consequently, Bolivia is in dire financial straits, asking for financial assistance from us.

In England, where the Conservative party is now in power, they still cling to national planning and control with strangling effect on industrial and farming production. Their socialized medicine is a con-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

stantly increasing burden on their finances. Despite the billions of dollars contributed to England by the United States, her condition has little improved.

France and Italy are in much the same condition. They have been socialized and bureaucratized to a point of insolvency. Their condition is not improving, and they appear to have become permanent wards of the United States. Under these conditions, it is apparent that even a mild depression in the United States would bring chaos to Europe.

America has become so prosperous under her system of private ownership that she could well afford to experiment by underwriting some small country that wished to try out some new form of economic or governmental set-up. However, socialism and communism are not confined to one country but have spread like a deadly plague through Europe and Asia. Wherever their dead hands have reached they have blighted the productivity, the prosperity, the welfare, and the freedom of the people and have brought terrorism and cruelty. Socialism and communism are no longer experiments from which something can be learned or out of which something good may develop.

The American Taxpayer's Role

The problem for the American taxpayer to decide is whether to give up ever-increasing portions of his earnings to keep Russia and her satellites from disintegrating internally, or to let the disintegration occur as a necessary step toward a decent form of productive civilization. He must also decide whether or not he wishes to continue the policy of forced contributions, year after year, to countries that are and will remain weak and insolvent as long as they refuse to discard socialism. • • •

Resist Not Evil

THOSE WHO CRUSADE not *for* God in themselves, but *against* the devil in others, never succeed in making the world better, but leave it either as it was, or sometimes even perceptibly worse than it was, before the crusade began. By thinking primarily of evil we tend, however excellent our intentions, to create occasions for evil to manifest itself.

ALDOUS HUXLEY, *The Devils of Loudun*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BLIND Spots in the New Socialism

The same basic fallacies remain despite the subtle efforts of modern planners to improve the camouflage.

REGINALD JEBB

SOCIALIST INTELLECTUALS in England are busy, not so much in putting their house in order as in pulling it down and rebuilding it. This might be a hopeful sign if it were not that the general plan remains much the same and the proposed innovations are designed only to strengthen the building and make it look more attractive. The principal architect in this renovation of socialism is Mr. C. A. R. Crosland who has recently produced an exhaustive treatise on the subject entitled *The Future of Socialism*.

Mr. Crosland has an acute mind which realizes the shortcomings of many of the clumsy attempts to build socialism in England, and does not hesitate to point them out. For instance, he recognizes that capitalism has not collapsed, as Marx so confidently prophesied it would and as the Labor intellectuals between the wars agreed it must if they were to make headway in their plans for a socialist state. He is also aware that nationalization of key industries, the "redistribution" of income, even what socialists call equality, must have their limits – and in some respects have already reached them. But all his criticism of outworn or ill-conceived methods of inaugurating a socialist state only increases his ingenuity in thinking out new and more up-to-date ways of reaching the same goal.

Human Nature Overlooked

The basic trouble about all these clever and industrious planners (of whom Mr. Crosland is an outstanding example) is that, while thrashing out every argument for and against each socialistic proposal with a great appearance of impartiality and claiming the highest ethical motives for their aims, they leave out the most important thing of all: human nature, as it may be seen influencing the actions of those in authority, those working on their own account, or those employed by others.

This disastrous failure to grasp

Mr. Jebb is a British educator, editor, and journalist.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

what underlies all human effort is concealed by the simple device of omission. This is easier than it might seem. The reader of a book like *The Future of Socialism* becomes so engrossed in the meticulous balance of arguments for and against selected proposals for altering social conditions that he may fail to notice the basic human needs that are left out. Let us call them the blind spots of the new – as of the old – socialism, though it is sometimes difficult to believe that they are due as much to blindness as to calculated omissions.

Power Causes Conflict

First and foremost, then, comes a total inability to see that conditions of life, ordered and controlled by governmental action, must be intolerable to anyone with a sense of freedom, however carefully adapted they may be to the supposed needs of human beings. Power is always to some extent a cause of conflict, but concentrated power is bound to produce in the long run either an explosion – perhaps a civil war – with disastrous consequences, or else a spirit of abject subservience, sullen and without personal initiative, as in Soviet-dominated countries today. Excessive power in the hands of an individual over his neighbors can be corrected or, at worst, has only limited results, but once that power belongs to the centralized government it becomes ubiquitous and unrestrained. Men prefer to plan their own course in life – however indifferently they may succeed – to submission to a plan made for them – however cunningly devised with an eye to what is supposed to be good for them. In the socialist state this prerogative is granted only to the planners at the top. Everyone else is a "plannee."

The result of this – besides emasculating the nation as a whole – vitiates the character of those who rule. In order to plan comprehensively, an enormous amount of money must be made available to the central government. Thus we find that Mr. Crosland and his associates, in building the new socialism, are continually searching for more and more ways of extracting money from private enterprise to hand it over to the State for "redistribution" as it thinks fit. But control of vast sums of public money invariably invites corruption, and this is especially true when the purposes of its "redistribution" are vague, when the general public has no means of knowing just how it is spent, and when it is being handled by an army of bureaucrats of all grades. Yet all those conditions are fulfilled when the State demands large surpluses for its use. It is

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

therefore a prodigious blind spot to overlook the probability of corruption on a large scale.

This brings us to a third blind spot in the socialist vision. All through Mr. Crosland's book it is tacitly assumed that private citizens are entirely materialistic in their approach to life. For instance, it is taken for granted that people are consumed with envy for anyone richer than themselves and will show their envy by obstruction and discontent. It is further presumed to be an injustice to allow differences of wealth. The fact that contentment does not consist of a bank balance augmented by theft from others seems to have escaped the socialist planners. They appear to think that the richer members of society are necessarily less generous with their own money than bureaucrats are with other people's. Yet these same bureaucrats have done their best to devitalize the hospitals, hitherto maintained by voluntary subscriptions and humanized by personal interest, so that they may become soulless state institutions under bureaucratic control.

Property Loses Meaning

Another blind spot becomes evident in the attitude of the new socialists to property. Unlike their Fabian antecedents, they no longer insist that all productive property in private hands should pass directly into the possession of the State; but they would hedge it round with so many restrictions, pare it down with such heavy taxation, and prevent its being handed down intact to heirs that it would soon cease to have any meaning – even to exist at all. And here comes the blind spot. They fail to see that privately held productive property adds immeasurably to the freedom and initiative of its possessor by encouraging him to look after it well, both as his livelihood and as a bulwark against tyranny. Through ownership a man graduates in responsibility and so becomes a full democrat. To strike at private property is therefore to strike at democracy. The neosocialists try to cover up this antidemocratic plan of theirs, first, by claiming that private property is losing its importance owing to the "managerial revolution" in industry, and secondly, by only considering property held in company shares. They leave out the independent farmer and the craftsman owning his own means of production and the pioneer in business who trusts in his own effort, yet on these every nation relies for the continuing health of the community. The explanation of this attitude of socialists is simple: Property owners can withstand

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

state encroachments on liberty and so break through the net of control. They are in an economic position to resist. That disturbs state planning.

Profits Are for Taxing

Those are some of the blind spots in the latest blueprint of socialism. Its admissions are equally interesting. Private profit from industry is no longer condemned as it used to be. This has come about for two reasons: First, the condemnation is so clearly senseless, since profit accruing to the owners of private businesses is just as much the reward of work as are wages paid to an employee; and secondly, because it is realized that unless there exists private profit to tax, the State will be denuded of funds. The nationalized industries are a liability not an asset. The new procedure is to encourage private enterprise firms to prosper, and to tax this prosperity in every sort of way, so that most of the surplus finds its way into the coffers of the State. At the same time through still more onerous death duties, capital gains taxes, an annual property tax, and possibly an expenditure tax levied on private individuals, it is intended that no one should be in a position to resist the centralized power of the State.

Another admission is that there is danger in the present trend toward bureaucratization of the professions. The most signal example of this is the medical profession under the Health Act. But this admission by the modern socialist intellectuals is not made with the object of giving free rein to professional talent, but because they fear that the new bureaucratic "power hierarchy" may "give rise to marked hostilities, not only in private industry, but equally in other large scale organizations, notably the nationalized industries and the large trade unions, where an alarming gap, marked by heavy suspicion on both sides, sometimes opens out between leadership and rank-and-file."

The Need for Private Enterprise

This is an admission of the first importance because it shows that the socialist substitute for capitalism only intensifies the strains that capitalism is accused of creating. But perhaps the most significant admission of all is one that the modern socialist does not appear to realize he is making. His plans to include state nominees on private boards of directors, to introduce a big element of state control into the management of the English schools run by private enterprise, and to adopt other similar means of giving the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

State a foothold in what private enterprise has built – all these plans are a direct admission that what men in a free economy have created is superior to anything the State can make for itself. They are also an example of the blindness of these so-called intellectuals. For it is as if one were to say that, after turning a successful chef out of his kitchen and putting in his place a man who knew nothing of cooking, the food cooked would remain as good as ever – as though it were the kitchen and not the cook that produced good dinners.

But however illogical and self-contradictory the new brand of socialists may be, their propaganda is cleverly adapted to give a picture of fair dealing, and subtly attracts those who think they have a grievance, those who are easily deceived by elaborate plans on paper, and especially those who prefer to be carried as slaves than to walk as free men. They are also skilled in working on men's minds by means of suggestion – a sort of softening up process – as, for example, when Mr. Crosland hammers in what he calls the *myth* of American individualism, the implication being that American economic successes have been due not to private initiative in a free society, but to the New Deal and socialistic influence.

The new exponents of socialism may have to wait some time before their methods are accepted by more old-fashioned socialists; but when they are adopted – as they almost certainly will be – they will present a greater menace to freedom than the old, cruder program. • • •

IDEAS ON LIBERTY

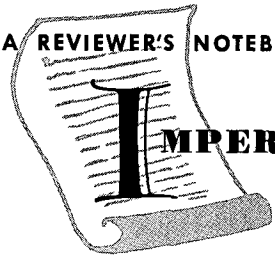
Take Your Choice

WHATEVER THE QUESTION under discussion — whether religious, philosophical, political, or economic; whether it concerns prosperity, morality, equality, right, justice, progress, responsibility, cooperation, property, labor, trade, capital, wages, taxes, population, finance, or government — at whatever point on the scientific horizon I begin my researches, I invariably reach this one conclusion: The solution to the problem of human relationships is to be found in liberty.

FREDERIC BASTIAT, *The Law*. 1850

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A REVIEWER'S NOTEBOOK



IMPERTINENT TO BE OBSERVED

John Chamberlain

WHEN ROSCOE POUND, former Dean of the Harvard Law School, delivered a series of lectures at Wabash College in 1945 on the historical development of constitutional guarantees of liberty, the tides were still running strongly toward authoritarianism. It was assumed at the time that Europe, after the war, would have to settle for "democratic socialism" and that the United States would be compelled to accept more and more centralized control to counter the "inevitable" postwar depression.

Taking the long view in his lectures, which are now published as *The Development of Constitutional Guarantees of Liberty* (Yale University Press, $3.50), Dean Pound reminded his listeners that periods of centralizing authority had come and gone in the past without hopelessly disrupting the fabric of "natural rights" or of the "immemorial rights of Englishmen." Always some judges, somewhere, had had the honesty and fortitude to stand against the presumptions of the State to arbitrary power, and always the people had rallied in time to support the courts. "Our constitutional democracy," said Dean Pound, "may survive this era of centralization and economic unification for like reasons. Whether rule is borne by Rex or by Demos, a ruler ruling reasonably under God and the law founds his kingdom on a rock."

The note of hope in Dean Pound's lectures must have sounded wholly forlorn in 1945. Indeed, it must still seem a little plaintive today. But if the tides running toward government control of the energies and ingenuities of the citizen are still visibly present, the intellectual certainty that "planners know best" has at last begun to flag. Dean Pound no longer sounds like an anachronism who, unaccountably, managed to hang on at Harvard during the period when all the bright young law students were plumping hard for the glories of "due process of administration" and that contradiction in terms known as "administrative law."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Antitraditionalists

During the forty-year period when believers in "natural rights" and "the immemorial rights of Englishmen" were fighting their rearguard action, two arguments were extensively used to beat down those who still had the temerity to oppose the new centralizing trends. One argument was that the Frenchman Montesquieu had made a thunderous mistake in glimpsing a tripartite "separation of the powers" in the British constitutional system. The other argument was that Magna Charta, far from being an affirmation of common folks' liberties, was merely a flagrant example of "barons' justice" – the foisting of an oligarchical tyranny by a gang of intolerant dukes and earls on both king and common people alike.

Neither argument constituted a proper intellectual plea for putting individuals in the leading strings of a centralized authority. But if it could be established that England had rocked along for centuries without a separation of the powers, or that Magna Charta was merely an early example of "class legislation," it might plausibly be maintained that modern liberty was a simple matter of trusting one's friends in government. Tradition, under such a view, was unimportant. According to those who scoffed at Montesquieu and Magna Charta, the old traditional "bulwarks of freedom" were something that stood in the way of efficient governmental administration of economic plenty for all.

From Coke to the Constitution

It is the signal merit of Dean Pound's book that he leaves the antitraditionalists without a shred of evidence to support their case.

First, as to the separation of the powers. Far from being a fashionable shibboleth of the eighteenth century, the doctrine of the separation of the powers was thoroughly grounded in the idea, extolled by Coke, that parliament had no power to pass laws which were "contrary to common right and reason." It was the proper business of the courts, said Coke, to refuse to give effect to legislation which was "impertinent to be observed."

The commentaries of Coke bearing on the necessity of an independent judiciary were well-known to the colonial lawyers who helped draft the American Constitution and the Bill of Rights. Moreover, the idea that the legislature and the administrative arm of government should be one and the same thing was denied in the very slogan that "taxation without representation is tyranny." The long battle against the Stuarts was set

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in motion precisely because the Stuart kings presumed to be their own legislators as well as tax collectors in the matter of such things as the ship money which Hampden refused to pay. And when the American revolutionists refused to pay taxes to the government of George the Third, they had the seventeenth century agitation about the "separation of the powers" very much in mind.

To Roscoe Pound, Magna Charta, far from being "barons' justice," was a comprehensive formulation of ideas and principles which were at the very foundation of medieval "common-law polity." It was significant, says Pound, that the grievances of the Church were put ahead of the grievances of the landowners in the Great Charter which the barons exacted from King John.

True, the Charter did devote an impressive amount of space to imposing "limits of order and reason upon the king's exactions as feudal overlord." But the Charter went on from the subject of the barons' complaints to those of merchants and traders. There were demands for uniform weights and measures, for freedom of travel, and for freedom from unjust taxation. Moreover, the Great Charter called for a redress of the common grievances of all. It asked for reasonable fines, proportioned to the offense and the offender, and for justice as something of right, "not to be sold, denied or delayed." It also called for security of the person and for security of property.

According to Pound's way of thinking, all of these provisions got into American law by way of Coke's commentary on Magna Charta. Thus our own state and federal Bills of Rights have a lineage that is as old as "Anglo-Saxon writ" and "Anglo-Norman writ-charter." They derive from "the whole legal and political thought of the twelfth century."

A Matter of Terminology

When the American colonists were still thinking in terms of defending themselves within the framework of English sovereignty, they spoke of their "immemorial rights of Englishmen" and quoted Coke. But when they eventually decided to base their freedom on a "right of revolution" against a government which had passed laws "impertinent to be observed," they looked about them for ways of framing their thought in universal terms. It was in this way that the language of "natural rights" came to be substituted for the language of Coke in the basic American documents.

The substitution of eighteenth century French locutions for the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

old common-sense phrases of Coke, however, did not mean that the rebellious colonists were asking for something new under the sun. They were still claiming the "immemorial common-law rights of Englishmen." In England "positive" laws that were contrary to "common right and reason" had been considered "impertinent" long before the term "natural law" had come into widespread use. But "common right and reason" and "natural law" were in substance one and the same thing.

The Continuity of Libertarianism

To back up his points about the continuity of individual liberty in countries which belong to the "Anglo-Norman" tradition, Dean Pound has included some ninety pages of source documents, including Magna Charta and Coke's long commentary on it. They sustain all of the points about the relationship between twelfth and thirteenth century freedoms and those which are important to any good libertarian's view of the present.

To cite merely one example, Magna Charta contains a section guaranteeing the right of merchants to buy and sell "by the ancient and right customs, quit from all evil tolls. . . ." Many of the colonial charters contained provisions, quoted here, which prohibited the passage of laws "repugnant to the laws of England" —which puts King George III's attempt to apply different economic rules to America in an extremely lawless light.

Altogether, this is an important book. Ten years ago, when Dean Pound consigned it unpublished to a drawer of his desk, its ideas probably would not have been heeded. But times have changed since 1945, and maybe Dean Pound's assertion that "positive" law is an evil unless it conforms to "common right and reason" will fall in 1957 on receptive and willing ears. • • •

🕮 The Men Who Made the Nation.

By John Dos Passos. Garden City, N. Y.: Doubleday and Company. 469 pp. $5.95.

"The history of the world," wrote Carlyle, "is but the biography of great men." That theory of history, quite popular during the nineteenth century and still not without adherents, is porous in two respects; it lacks a definition of greatness, which is likely to be subjective and therefore variable, and it fails to account for the continuity of man's story during times when men of that caliber are not around.

One cannot say that America has stopped making history just

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

because men measuring up to the standards of a Washington or a Jefferson are not at the helm. On the other hand, the currently orthodox theory of history is equally wanting; if events, and the men who seem to manage them, are but reflections of an environment (as the theory holds), the question is, who made the environment? The latter-day historians are inclined to answer that environment is the product of economic and social "forces" over which men have no control, and that puts us in the realm of the occult.

Be that as it may, there is no question but that the period of American history which appeals most to our imagination and which overshadows our estimation of all subsequent periods is its beginning. And that beginning, say from the Revolution to the ratification of the Constitution, with the first three Administrations thrown in as the years of nursing the infant country through its most delicate years, is associated with a group of men who never cease to arouse our imagination. The accomplishment of Washington, Jefferson, Hamilton, Franklin, Adams, Madison, and a few lesser lights is generally accepted by Americans, with the concurrence of many European historians, as something of a marvel. On the basis of this accomplishment, of the acumen and moral integrity they put into it, these men must be accorded the accolade of "great."

And yet, they were only men. Continuous admiration of the work they wrought tends to rid them, in our minds, of the inadequacies common to all men and to endow them with supernatural composition. The mere repetition of the phrase, Founding Fathers, builds up the myth that perhaps these men were indeed demigods, and worship takes the place of admiration. It seems impossible for us to realize that Washington was vain and petulant and resorted at times to oaths that men of lesser size make use of, that Hamilton became a politician when expediency so ordered, that there was a bit of the adulterer in Franklin, that a number of the Founding Fathers were not above feathering their own nests at the expense of the nation they founded.

Knowing such things tends to destroy the myth, and rather heightens our admiration for the qualities they displayed in performing their major work; men, not demigods, made America, men who were great despite their shortcomings. That being so, it is possible that men of like caliber will come along to guide its destiny to higher things.

Whether or not John Dos Passos

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

had that point in mind when he wrote *The Men Who Made the Nation* is unimportant; it is the impression you get as you read this interesting book. He has brought back to reality the characters whom we have disembodied by our extravagant encomiums, has shown us that mere men, if they have the talent and the will, can make history. It is for that reason an important book.

Only a novelist, with a penchant for the dramatic and a talent for discerning in little things the indicia of human character, could have done this book. But Dos Passos does not take liberties with fact; he has meticulously adhered to the record, particularly to the letters written by his *dramatis personae,* in his delineation of their characters. The book is, therefore, good history as well as good story, and a fine contribution to Americana. FRANK CHODOROV

Gumption Island

By Felix Morley. Caldwell, Idaho: The Caxton Printers, Ltd. 306 pp. $5.00.

One of the most vivid memories of my boyhood is a child's illustrated *Robinson Crusoe.* Here was man alone against the world until Friday left his footprint on the sand. Here was naked necessity. Here rude shelter came before furniture, and raw food before wine.

Years later I read *Walden* by Henry Thoreau. "It would be some advantage," he said, "to live a frontier and primitive life if only to learn what are the gross necessaries of life and what methods have been taken to obtain them .... for the improvements of the ages have had but little influence on the essential laws of men's existence."

The fascination of *Robinson Crusoe* and *Walden* will not grow dim even though they are no longer widely read. For the ultimate problem they pose confronted Cro-Magnon men as it confronts us, and as it has confronted all people in all ages. For a few generations, after conquering bubonic plague, typhus, and similar threats of obliteration, we thought that while indivduals must die, society will live. But now the awful heat of Hiroshima's monstrous mushroom has brought civilization's ultimate question back to page one.

Life was a puzzle in 1719 to Daniel Defoe's contemporaries and to Thoreau's in 1847. But it is now infinitely tangled. It needs much more unraveling than then. For the question is no longer a single man against the world; it is men and women of all vocations, colors, creeds, attitudes, and prejudices

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

against the world, and against each other.

In *Gumption Island,* Felix Morley works out his own solutions of the problems confronting 170 men, women, and children blown out of all contact with their pre-existing world by a Soviet thermonuclear explosion. It was as if a new Atlantis had split off from the American continent.

But much more than physical separation confronts the survivors. The time continuum was broken by the blast, also. They find their island back in the Mesozoic Age and antediluvian reptiles crawling out from primordial slime. This is a gripping feature of the tale, for it is so presented as not to seem grotesque. On the contrary, it is given with such a wealth of scientific background as to seem as reasonable as the island's physical breakoff itself.

In such a situation, how do these eight score people survive? Is it tooth against fang, or the rebuilding of a cooperative society? Is it to be a dictatorship or government by and for the people? How do they recreate the division of labor, the exchange of goods and services? What do they do for money, and how do they keep it from becoming worthless? What about taxation? Do they see the need for a written constitution to keep power in leash?

The answers are in the book, plus a good love story and the conversion from communism to capitalism of the Russian aviator who dropped the bomb but survived with the survivors.

Here is an exciting, yet thoughtful, book. Without preaching or exhortation, it holds a mirror to give us a better view of ourselves in A.D. 1957. The number who start to read it but quit before the end will be few.

SAMUEL B. PETTENGILL

National Review Reader

Edited by John Chamberlain. New York: Bookmailer. 335 pp. $5.00.

Only yesterday the *National Review* was a lusty infant; today it has an offspring of its own in the form of a fat *N. R. Reader.* John Chamberlain, one of the ablest literary critics around, has made a sparkling selection of the best articles, editorials, cartoons, and reviews to appear during 1956. This best is very good. I have followed this weekly journal from the first number; always with anticipation, usually with some care. Hardly an issue has appeared which failed to contain something of interest to me; many have contained pieces of genuine importance, deserving of the permanence this book will give them.

There is the Hughes-Rauh case for instance. Outside the circle of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

National Review readers – due to the double standard adopted by our information media (one for "liberals" another for "reactionaries") – the Hughes-Rauh case connotes little or nothing. This case was one of the most significant events of the year for its revealing and dreadful glimpse into the condition of The "Liberal" Mind, so alien to the genuine liberalism of our tradition. The full case is included in *The Reader*, together with many other memorable pieces dissecting the current antics in Washington, on Broadway, on the campus, as well as on Main Street.

Every libertarian or conservative knows that he has a real fight on his hands, but one gains the impression that the literate and urbane crew who put out *National Review* week after week get a lot of fun out of their enterprise. Such is the tone reflected in this *Reader*.

EDMUND A. OPITZ

God, Gold and Government

By Howard Kershner. Englewood Cliffs, N. J.: Prentice-Hall, Inc. 1957. 146 pp. $2.95.

There is a growing body of literature which appreciates the indispensable religious dimension of a fully developed philosophy of the free society. Howard Kershner has contributed an important volume to that literature.

The things which are cherished in our tradition – personal liberty, the rights of minorities including a minority of one, limited government, the market economy, and the like – were not arbitrarily evoked out of nothing by some eighteenth century alchemy. To the contrary, political liberty and economic progress are the fruits of a long heritage, and they waited in the wings until certain antecedent spiritual and cultural conditions had set the stage for them. Then they appeared, but not before, and not in all parts of the globe – only in those areas where the ground had been prepared by the developing religious and cultural heritage of the West. Once on the boards, however, they proceeded to ignore their ancestry, with the result that liberty is everywhere in decline and the economies everywhere are pinned into strait jackets. Recovery will not be by exhortation, but only by the rehabilitation of the spiritual and cultural conditions which encourage political liberty and economic progress.

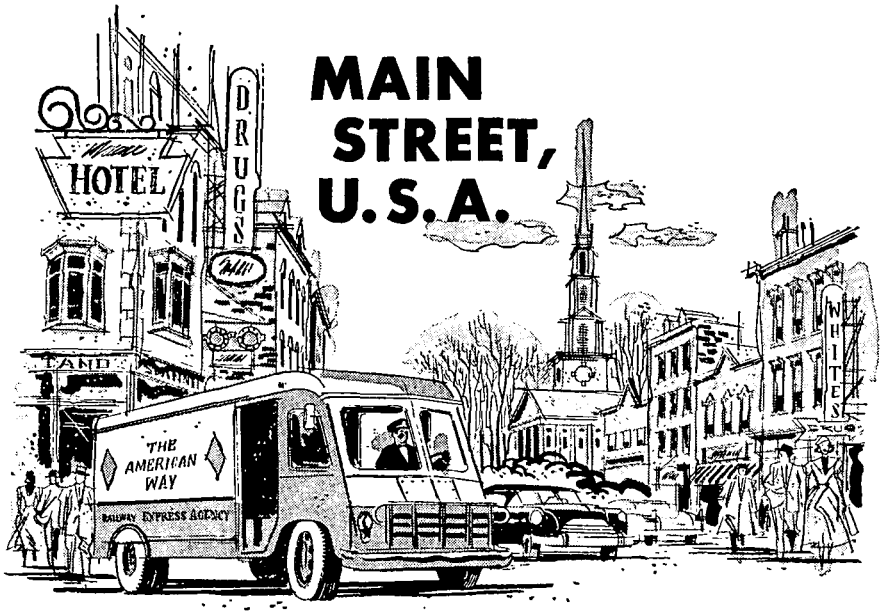
EDMUND A. OPITZ

Any book reviewed in this Book Section (or any other current book) supplied by return mail. You pay only the bookstore price. We pay the postage anywhere in the world. Catalogue on request.

THE BOOKMAILER, Box 101, New York 16

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MAIN STREET, U.S.A.



On thousands of streets and at railroad stations and express terminals all over the country, scenes like this are repeated many times a day.

The efficient operations of the Railway Expressmen . . . on train and truck, railroad or terminal platform and at the local airport . . . have long been part of the American scene.

Since its beginning in 1839 . . . advancing with the early railroads, the overland stage, and the Pony Express, and keeping pace with today's streamlined trains and aircraft . . . express service has played an important and continuing part in the progress of our nation.

In normal times, the Agency carries anything and touches the lives of everyone. In times of crisis, the complete and dependable service of Railway Express has transported blood for the Red Cross, serum to combat epidemics, key materials for national defense.

Year after year, as the world's most extensive private enterprise transportation system, a great tradition of service to the public is carried on . . . the American way.

RAILWAY EXPRESS AGENCY

For a free copy of an informative booklet, "The Truth About Parcel Post," address The Public Relations Division

RAILWAY EXPRESS AGENCY, INC.

219 East 42nd Street, New York 17, N. Y.

A PRIVATE ENTERPRISE IN THE PUBLIC SERVICE

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

COAST FEDERAL SAVINGS

Offers Savings Investors

4%
PER ANNUM
Current Rate

"LET'S GET ACQUAINTED"—
Write today for this booklet and financial statement, to:
COAST FEDERAL SAVINGS
DEPARTMENT H
9th and HILL
LOS ANGELES 14, CALIF.

MAXIMUM RETURN

on your investment with SAFETY, through progressive, yet conservative management—plus insurance on each account.

AVAILABILITY

of funds when needed due to high liquidity position.

LEGAL INVESTMENT

for trust funds.

PROMPTNESS

in all transactions assured by use of Air Mail. (We pay postage both ways).

RESOURCES OVER ONE QUARTER BILLION DOLLARS

RESERVES over $24 million.

VARIETY

of accounts, Individual, Joint, Trust and Corporation.

Member—Federal Home Loan Bank—Federal Savings and Loan Insurance Corp.

COAST FEDERAL SAVINGS
JOE CRAIL, PRESIDENT

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FROM A LIBERTARIAN'S LIBRARY

SOME TIME in the early part of the century, some bureaucratic genius invented the system of having the larger echelons of government bribe the smaller ones to incur heavy expenses by offering to share part of the expense.

School districts are not the only small units of government that are so bribed by larger ones on the theory that they are getting something for nothing. The racket is especially virulent in the building and maintenance of roads. Villages, towns, counties, and states are so bribed by town aid, county aid, state aid, and even federal aid roads. In a more subtle manner, local relief work is being taken over by higher and higher echelons of government.

Before it is too late it may be well for us, the American people, to check this novel and growing system of ours. Five million people, all in the government and all under the control of one man, is quite a severe threat to our liberty. It is virtually giving absolute dictatorial power to one man.

A selection from *Where We Are At* by Thomas H. Barber. First published by Charles Scribner's Sons, now available through the Foundation for Economic Education, Irvington-on-Hudson, N. Y. 255 pp. $1.50 paper, $2.50 cloth

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED